Alberta Infrastructure
Annual Report
2002–2003

Alberta
INFRASTRUCTURE

104-02430/

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Public Accounts 2002-2003

PREFACE

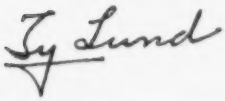
The Public Accounts of Alberta are prepared in accordance with the *Financial Administration Act* and the *Government Accountability Act*. The Public Accounts consist of the annual report of the Government of Alberta and the annual reports of each of the 24 ministries.

The annual report of the Government of Alberta released June 24, 2003 contains the Minister of Finance's accountability statement, the consolidated financial statements of the Province and a comparison of the actual performance results to desired results set out in the government's business plan, including the *Measuring Up* report.

This annual report of the Ministry of Infrastructure contains the minister's accountability statement, the audited financial statements of the ministry and a comparison of actual performance results to desired results set out in the ministry business plan. This ministry annual report also includes other financial information as required by the *Financial Administration Act* and *Government Accountability Act*, either as separate reports or as a part of the financial statements, to the extent that the ministry has anything to report.

Minister's Accountability Statement

The ministry's annual report for the year ended March 31, 2003, was prepared under my direction in accordance with the *Government Accountability Act* and the government's accounting policies. All of the government's policy decisions as at September 12, 2003 with material economic or fiscal implications of which I am aware have been considered in the preparation of this report.



Ty Lund
Minister
Alberta Infrastructure

Message from the Minister

Wise use of the taxpayer investment and resources has always been a high priority for Albertans, and Alberta Infrastructure is no different. Striving for continuous improvement in how we address Albertans' infrastructure needs is key for the ministry. During the 2002-03 fiscal year, Alberta Infrastructure embarked on many new initiatives such as pursuing numerous public-private partnerships, establishing long-term contracts for the purchase of green power for government facilities, advancing the Energy Retrofit Program, and developing an award-winning mobile classroom.

Public-private partnerships (P3s) can provide Albertans with much needed facilities in a more timely fashion than traditional government funded facilities and can take advantage of the innovations and technology available to industry. During the year, numerous long-term care facilities were implemented using the P3 concept. The ministry also embarked on a major P3 initiative that will provide new court facilities in Calgary by 2006. The Calgary Law Courts will facilitate a better integration of the court system in Alberta, replace outdated court facilities and reduce further capital investment to upgrade existing facilities. The benefits of the new facility will also include more efficient use and sharing of resources such as space, equipment and staff and improved accessibility to court services for all Albertans.

In support of climate change and reducing greenhouse gas emissions, new contracts for the purchase of green power were signed in March 2003 to purchase power generated through wind power and the burning of wood waste. When these contracts come into effect in 2005, it will reduce electricity costs for government facilities by millions of dollars each year based on current cost and consumption. Both Albertans and the environment will benefit from this long-term strategy. The ministry also continued to enhance its Energy Retrofit Program whereby upgrades are made to government buildings to reduce energy consumption, which reduces costs.

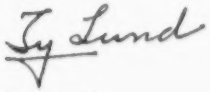
Innovative thinking and strong partnerships between Grassland Regional Division No. 6 and Alberta Infrastructure created an award winning one-of-a-kind facility for four rural areas around Brooks. It resulted in a classroom on wheels in the form of a 53-foot tractor-trailer unit as a cost-effective alternative to building career technology facilities in each area. The mobile classroom contains a welding section, located at the front half of the trailer, an automotive section at the back and a separate instructional area with desks. Work continues with school boards and Alberta Learning to make the best use of school facilities and embark on new initiatives to meet student needs.

Looking to the Future

Following recommendations from the Financial Management Commission, the Government of Alberta will embark on new and innovative financing opportunities for capital projects. During 2002-03, Alberta Infrastructure worked with Alberta Finance to develop the new Centennial Capital Plan for implementation in the 2003-06 business planning cycle. The new capital plan will alleviate the fluctuations in capital investment through a capital fund and longer-term commitments to projects.

In the coming years, efforts to improve capital planning will continue through the cross-ministry Capital Planning Initiative. This includes examining the deferred maintenance needs in schools, post-secondary, health care and government facilities and developing a long-term plan to ensure maintenance is dealt with on an ongoing basis thereby protecting the taxpayer investment in building infrastructure. We will also continue to consider alternatives in planning for growth and expansion demands.

I look forward to the continued input and support of our many stakeholders such as school boards, post-secondary institutions, health regions and seniors' lodge foundations. We must continue to work together to meet the infrastructure needs of all Albertans.



Ty Lund
Minister
Alberta Infrastructure

Management's Responsibility for Reporting

The Ministry of Infrastructure includes the Department of Alberta Infrastructure.

The executives within the ministry have the primary responsibility and accountability for the department. Collectively, the executives ensure the ministry complies with all relevant legislation, regulations and policies.

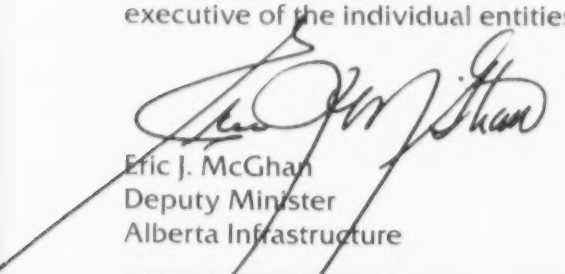
Ministry business plans, annual reports, performance results and the supporting management information are integral to the government's fiscal and business plans, annual report, quarterly reports and other financial and performance reporting.

Responsibility for the integrity and objectivity of the financial statements and performance results for the ministry rests with the Minister of Infrastructure. Under the direction of the Minister I oversee the preparation of the ministry's annual report, including financial statements and performance results. The financial statements and the performance results, of necessity, include amounts that are based on estimates and judgments. The financial statements are prepared in accordance with the government's stated accounting policies.

As Deputy Minister, in addition to program responsibilities, I establish and maintain the ministry's financial administration and reporting functions. The ministry maintains systems of financial management and internal control which give consideration to costs, benefits, and risks that are designed to:

- provide reasonable assurance that transactions are properly authorized, executed in accordance with prescribed legislation and regulations, and properly recorded so as to maintain accountability of public money,
- provide information to manage and report on performance,
- safeguard the assets and properties of the Province under ministry administration,
- provide Executive Council, Treasury Board, the Minister of Finance and the Minister of Infrastructure any information needed to fulfill their responsibilities, and
- facilitate preparation of ministry business plans and annual reports required under the *Government Accountability Act*.

In fulfilling my responsibilities for the ministry, I have relied, as necessary, on the executive of the individual entities within the ministry.



Eric J. McGhan
Deputy Minister
Alberta Infrastructure

September 12, 2003

Overview

Alberta Infrastructure is responsible for the provision of a myriad of facilities that support the delivery of government programs throughout the province. These include schools, post-secondary institutions, health facilities, seniors' lodges, government offices, courts, correctional facilities, and museums. In addition, the ministry provides cross-government services related to air and vehicle fleets, land management services, and management of the Edmonton and Calgary Transportation and Utility Corridors.

Our Vision
Alberta will benefit from proactive planning and effective partnerships that provide efficient and sustainable infrastructure for the government and public organizations.

Our Mission
To enhance Albertan's quality of life and economic prosperity through the provision of effective infrastructure and services.

To achieve the vision and mission of the department, the work of the ministry is organized into three core businesses.

Core Businesses

1. Ensure efficient planning, design, construction, rehabilitation, operation, maintenance, and land management of government-owned infrastructure.

2. Through innovative partnerships, ensure efficient planning, design, construction, rehabilitation, operation and maintenance of supported infrastructure to meet the overall needs of Albertans, including health care, learning and community service facilities, and seniors' lodges.

3. Manage central services to all government departments including accommodation requirements, property acquisition and disposal, air transportation and government fleet operations, procurement of supplies, disposal of surplus material, and representing Alberta's interest in trade agreements impacting procurement.

Quick Facts

(as of March 31, 2003)

Supported Infrastructure

Health Facilities
17 regional authorities
2 health boards
29.7 million sq. ft. facility space

Seniors' Lodges
121 seniors' lodges
3.2 million sq. ft. facility space

Schools (K-12)
64 school boards
72 million sq. ft. facility space

Post-Secondary Institutions
4 universities
15 colleges
2 technical institutes
Banff Centre
39 million sq. ft. facility space

Government-Owned/Leased Properties

Alberta Infrastructure is responsible for a number of government-owned and leased properties including: courts, correctional centres, historic sites, museums, interpretive centres, laboratories, general office space, group homes, residences, recreational facilities, education/training facilities, legislative facilities, maintenance and services properties, warehouses, parking, and multi-use facilities.

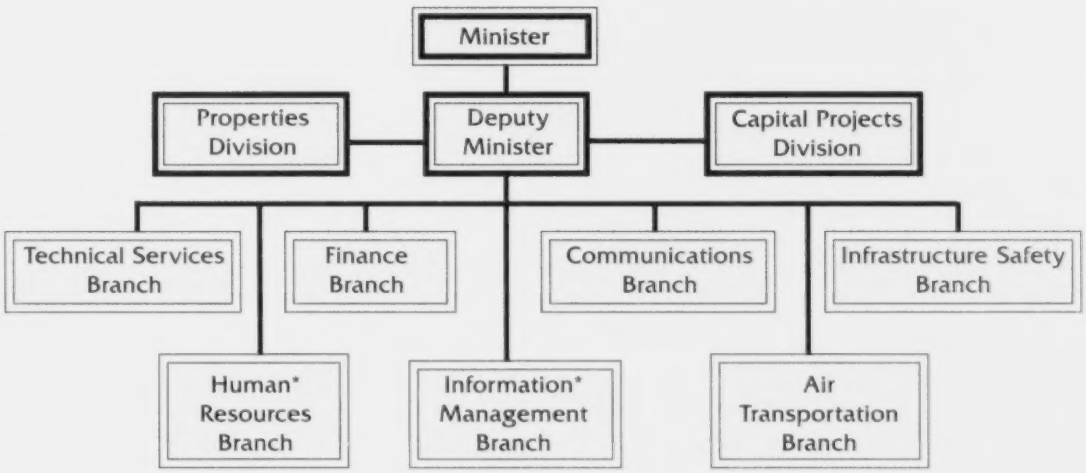
Combined these facilities comprise approximately:

Owned
1900 buildings
20 million sq. ft. facility space

Leased
290 buildings
5.5 million sq. ft. facility space

Ministry Organization Structure

The following represents the ministry structure and key service areas as of March 31, 2003.



* Shared with Alberta Transportation

Minister
Honourable Ty Lund
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E-mail: ty.lund@gov.ab.ca

Deputy Minister
Eric J. McGhan
Ph: (780) 427-2081
Fax: (780) 422-0186
E-mail: eric.mcghan@gov.ab.ca

Capital Projects Division
Malcolm Johnson
Assistant Deputy Minister
Ph: (780) 427-3835
Fax: (780) 427-3873
E-mail: malcolm.johnson@gov.ab.ca

***Functions*:**
The Capital Projects Division works with school boards, health regions, post-secondary institution boards, seniors' lodge foundations, as well as numerous stakeholder ministries to implement priority capital projects. Administers capital and plant operations and maintenance funding for school facilities, post-secondary institutions, health and long-term care facilities and seniors' lodges.

Properties Division
Bob Smith
Assistant Deputy Minister
Ph: (780) 427-3875
Fax: (780) 422-1389
E-mail: bob.smith@gov.ab.ca

***Functions*:**
The Properties Division manages government-owned and leased facilities including office space, correctional institutions, courts, service facilities, etc. In conjunction with all ministries, boards and agencies, the division plans for future government facility needs and implements capital upgrading of facilities. The division provides real estate services, land-planning services and manages the Edmonton and Calgary Transportation and Utility Corridors on behalf of government. The division is also responsible for the Swan Hills Treatment Plant.

Finance Branch
Jim Bauer
Executive Director
Ph: (780) 422-1033
Fax: (780) 415-1219
E-mail: jim.bauer@gov.ab.ca

Functions:
The Finance Branch plans, monitors, prepares and analyzes the ministry's budget and is responsible for the accountability and compliance audit of programs and services. It is also responsible for accounts payable and receivable, capital asset management and development, and implementation of financial policies, procedures and controls.

Infrastructure Safety Branch
Hoang Le
Executive Director
Ph: (780) 422-0622
Fax: (780) 422-5832
E-mail: hoang.le@gov.ab.ca

Functions:
The Infrastructure Safety Branch develops policy frameworks, strategies and guidelines for emergency planning and management. It also assists other government departments and agencies in the development and implementation of emergency and safety plans for government-owned and leased buildings across the province.

Technical Services Branch
Tom O'Neill
Executive Director
Ph: (780) 422-7447
Fax: (780) 422-7479
E-mail: tom.o'neill@gov.ab.ca

Functions:
The Technical Services Branch provides a wide range of professional and technical support for the planning, design, cost management, construction, renovation, commissioning, use, and operation and maintenance of government-owned and supported facilities. The branch also reviews tenders and provides recommendations for contract awards within the ministry.

Air Transportation Branch
Jon Dillon
Director
Ph: (780) 427-7341
Fax: (780) 422-1232
E-mail: jon.dillon@gov.ab.ca

Functions:
The Air Transportation Branch provides air travel services to government departments, boards and agencies. Service is available on a twenty-four hours a day seven days a week basis. The fleet consists of one nine-passenger and two seven-passenger Beechcraft King Airs, and a thirty-six passenger Dash 8.

Communications
David Bray
Director
Ph: (780) 422-0506
Fax: (780) 415-9793
E-mail: david.bray@gov.ab.ca

Functions:
The Communications Branch provides strategic communications planning and consultation for the Minister, Deputy Minister and department. Other services include media relations, issues management, communications planning, graphic design support and coordination of the department's Internet and Intranet.

Information Management Branch
(shared with Alberta Transportation)
Don Tworowski
Executive Director
Ph: (780) 427-7395
Fax: (780) 422-5208
E-mail: don.tworowski@gov.ab.ca

Functions:
The Information Management Branch supports both Alberta Infrastructure and Alberta Transportation by managing the planning and delivery of a full range of information services including development and implementation of information management technology policies, and implementation of all information technology projects. Records management services are also delivered for both ministries. In addition, the branch monitors the government's light duty central vehicle operations that are under contract to Jim Pattison Lease Ltd., and manages the government-owned executive vehicle fleet.

Human Resources Branch
(shared with Alberta Transportation)
Brigitte Fulgham
Executive Director
Ph: (780) 427-7602
Fax: (780) 422-5138
E-mail: brigitte.fulgham@gov.ab.ca

Functions:
The Human Resources Branch develops and implements human resource policies, programs and strategies for Alberta Infrastructure and Alberta Transportation. The branch oversees services offered by the Alberta Corporate Services Centre such as position classification, and recruitment and selection services. As well, the branch provides training and development services, employee relations and occupational health and safety services.

Results Analysis

The following is a description of results organized by core business. An explanation of each core business is followed by a high-level discussion of financial results which provides information on variances from the original business plan estimates. Details can be found in the financial information section of this annual report.

The ministry's 2002-05 Business Plan contained four key goals which provided ministry staff the strategic direction to follow in support of our core businesses. Goals 1, 2 and 3 directly link to individual core businesses; however, Goal 4 is an "over-arching" goal which supports all core businesses and focuses on the internal department strategies intended to enhance our human resources and effectively support government priorities.

The results identified under each goal are high-level and intended to give the reader a sense of some of the key initiatives that were undertaken throughout the year.

Core Business 1

Ensure efficient planning, design, construction, rehabilitation, operation, maintenance, and land management of government-owned infrastructure.

	2002-03 Budget Estimate	2002-03 Actual Expenditures
Operating	**$205,842,000**	**$201,969,000**
Capital	**$4,423,000**	**$18,293,000**

The ministry strives for cost-effective and efficient space utilization to facilitate the best use of resources and delivery of services in buildings such as offices, service buildings, correctional centres, courthouses and research facilities. Included in this core business is the ongoing operation of government facilities, including the Swan Hills Treatment Plant, as well as capital upgrading requirements and lease costs. Manpower costs are also included.

Financial Results

Operating Expenses

In 2002-03, Alberta Infrastructure budgeted $205.8 million for operating costs associated with this core business. Actual expenses came in below that at $201.9 million. The under-expenditure of $3.9 million was primarily due to lower than expected expenses related to the amortization of government-owned assets and the reallocation of dollars to capital to fund key Centennial projects. These expense reductions were partially offset by increased utility costs for government-owned facilities.

Capital Investment

In 2002-03, the over-expenditure of approximately $13.9 million for capital investment was primarily due to $11.1 million being put towards funding key Centennial projects that had previously been deferred. $5.4 million of this was new funding approved in June, 2002, and $5.7 million was reallocated from operating expenses. The balance of the increase related to increased equipment and inventory purchases for the Swan Hills Treatment Plant.

Goal 1

Enhance Planning and Management of Government-owned Infrastructure

(supports Government of Alberta (GOA) business plan goals 11 "Alberta will have effective and efficient infrastructure", *and 12* "Alberta will have a financially stable, open and accountable government"*)*

Key Objective
Support the cross-ministry Capital Planning Initiative.

Results

- The Capital Planning Initiative (CPI) is a government-wide program to enhance capital planning across government. During 2002-03, Alberta Infrastructure:
  - Led the development of a priority ranking system which was used to prioritize all capital projects undertaken or funded by the government. Criteria included health and safety, and program delivery, as well as economic factors such as cost-benefit, savings and cost-effectiveness. The new priority ranking system will continue to be used in future years for the development of the Government's Capital Plan.
  - Worked with Alberta Finance and other ministries to develop the Government's first published Centennial Capital Plan commencing in 2003-04.
  - Continued development of the Building and Land Infrastructure Management System (BLIMS) with the release of the inventory module providing information on building area, usage, and leasing data. BLIMS is a key management tool intended to enhance planning and provide a cost-effective solution to data management needs.
  - Continued development of key performance measures - condition, utilization and functional adequacy of government-owned and supported buildings. A common methodology was developed for the condition measure, and utilization measures for government facilities, schools, and health facilities were reconfirmed. The utilization measure for post-secondary facilities and the functional adequacy measures for all facilities are under development.

Key Objective

Ensure a safe and healthy environment in government-owned and leased facilities.

Results

- Updated the emergency response plan and developed a safety plan for the Infrastructure Building, which will serve as a model for emergency management plans for other government buildings. A Business Resumption Plan was also developed and tested for Alberta Infrastructure.
- Commenced development of an Environmental Management System for the ministry consistent with the International Standards Organization's standards. An environmental review of current practices was undertaken and resulted in the development of a departmental environmental policy which outlines how hazardous materials are to be handled during the construction, renovation and site remediation of government buildings or properties. Future phases of the ministry's Environmental Management System will be undertaken in 2003 and 2004.
- Completed revisions to department standards for indoor air quality in April 2002. As requested by local jurisdictions, testing was undertaken and follow-up action was recommended to deal with building-specific air quality issues in schools, hospitals, and lodges and in government-owned and leased facilities.

Key Objective

Continue effective planning and project implementation to support government programs.

Results

- Continued to implement the Calgary Law Courts facility by inviting proposals for the construction of a new consolidated facility using a public-private partnership (P3) approach. A three-stage process commenced to select the most appropriate proponent. In March 2003, a Request for Proposal was released and a short list of three possible candidates generated, each of which will provide comprehensive development proposals to the ministry.

- Implemented 240 facility upgrades to meet ongoing needs in support of the delivery of government programs. Project costs totaled $25.1 million. Examples include the planning and development of offices for the Alberta Corporate Service Centre; completion of 20 accommodation projects and commencement of a further 20 projects for Childrens' Services offices throughout the province; completed offices in collaboration with the regional health authority at the Elizabeth Settlement; and developed a new Alberta Service Centre for Human Resources and Employment in Edmonton.
- Worked with all ministries in planning for future needs. The new government-wide business case template was used to support capital project submissions to ensure all planning and financial considerations were taken into account in evaluating program and project needs.

Key Objective

Manage the Swan Hills Treatment Plant and develop and implement a long-term strategy for the facility.

Results

- Entered into a contract for the long-term operation of the Swan Hills Treatment Plant which was awarded to Earth Tech (Canada) in February 2003, following a comprehensive request for proposals and detailed analysis and negotiation. Under this 10-year contract, Earth Tech (Canada) will manage the day-to-day operation of the plant which processes hazardous wastes. Monitoring of contractor performance will continue to be undertaken by the ministry and Alberta Environment.

Key Objective

Support accessibility needs.

Results

- Updated and issued guidelines for barrier-free access to government-owned and supported buildings. The "Technical Design Requirements for Alberta Infrastructure Facilities" document, which can be found on the ministry's website, outlines how facility improvements should be undertaken to improve access for seniors and persons with disabilities. Access to several government buildings, including the Provincial Museum, was improved with the addition of ramps or automated doors.

Key Objective
Support climate change initiatives.

Results

- Continued the Energy Retrofit Program which has to date resulted in energy savings of some $3.2 million annually, realized through improvements in heating, air conditioning and lighting in 70 government buildings. In 2002, the final retrofit phase called the "Edmonton and Area Energy Performance Program" was initiated for over 40 buildings in Edmonton, including the Government Centre. Using an energy consumption tracking system, the ministry measures energy use. In addition, two additional energy performance contracts for leased government facilities were signed in 2002-03.
- Supported energy conservation in government-supported facilities through presentations made to stakeholder organizations such as the Southern Chapter of the Alberta Hospital Engineers and the School Plant Officials Association, outlining strategies for energy reduction design and building sustainability.
- Entered into long-term contracts commencing January 2005 for the purchase of 210,000 Megawatt hours per year of EcoLogo-certified green power and the associated emissions reductions credits. This commitment will ensure that more than 90% of the electricity used in government-owned buildings will be from environmentally benign renewable sources. The green power purchase, split roughly equally between biomass and wind power sources, directly supports the Alberta climate change action plan by encouraging the development of renewable energy technologies in Alberta and significantly reducing greenhouse gas emissions and pollutants related to fossil fuel based power generation.

Key Objective
Administer the Natural Gas Price Protection Programs.

Results

- In conjunction with Alberta Energy, processes were established and an implementation plan put in place in the event that sustained high natural gas prices triggered rebates through the Natural Gas Price Protection Program. During 2002-03, no natural gas rebate was implemented as the threshold price under the applicable legislation was not attained.

Core Business 2

Through innovative partnerships, ensure efficient planning, design, construction, rehabilitation, operation and maintenance of supported infrastructure to meet the overall needs of Albertans, including health care, learning and community service facilities, and seniors' lodges.

	2002-03 Budget Estimate	2002-03 Actual Expenditures
Operating	**$492,862,000**	**$478,022,000**

Under this core business, the ministry manages capital funding for the planning, design and construction of health facilities, schools, post-secondary facilities and seniors' lodges. As well the implementation of approved projects are monitored to ensure the funds are managed in accordance with government policies. Budget estimates and expenditures include program support services such as manpower and other related costs.

Financial Results

Operating Expenses

The specific ministry programs linked to this core business include health care facilities, school facilities, school facilities plant operation and maintenance, post-secondary facilities and seniors' lodges and other infrastructure.

The $14.8 million under-expenditure was primarily due to funds being transferred to critical programs under other core businesses. These include higher utility costs, escalating lease costs and higher than budgeted information technology costs.

Goal 2

Work with Partners to Provide Quality Building Infrastructure

(supports GOA business plan goal 3 "Alberta students will excel", *goal 5* "Albertans unable to provide for their basic needs will receive help", *11* "Alberta will have effective and efficient infrastructure", *and 12* "Alberta will have a financially stable, open and accountable government"*)*

Key Objective

Ensure effective planning and management of learning facility capital projects.

Results

- Continued follow-up from the 2001 Minister's Symposium on Schools. Five working committees were formed and consisted of school board members and superintendents, architects, engineers, building operators, and many others. The committees reviewed options and provided input in five areas: alternative procurement opportunities; sustainable buildings; planning and design process; functionality and utilization; and the use of school reserves. In 2003-04, the committees will submit recommendations as the next step in enhancing management of school facilities.
- Addressed high-priority school facility needs under the multi-year New Century Schools Plan. Funding continued to address school facility requirements across the province as determined by the previous province-wide school facilities audit. Under the plan, six new schools were opened in 2002: St. Gabriel the Archangel and Coventry Hills in Calgary; George P. Nicholson and Jackson Heights Elementary in Edmonton; and Bearspaw School and Prairie Waters Elementary in the Rocky View School Division.
- Commenced a detailed analysis of the utilization of post-secondary facilities within Alberta. The study, to be completed by March 2004, will prepare a baseline inventory of post-secondary space with a method for annual updates. It will recommend space utilization performance measures and target capacity ranges for all institutions.

Key Objective

Provide for effective and efficient operation and maintenance of schools.

Results

- Developed a new funding model for plant operations and maintenance in school facilities to maximize the value of available funds. In consultation with a stakeholder committee, the formula was designed to equitably distribute funding between all school boards in the province, reflecting the factors that contribute to operation and maintenance costs in all school buildings.
- Initiated a process for monitoring expenditures for school plant operations and maintenance with a review of the annual audited financial statements prepared by all school boards for the year ended August 31, 2002. This process was put in place to protect taxpayer investment by providing analytical results to school boards which enable them to use program funds in the most efficient manner possible.
- Commenced development of a framework for school facility audits under the School Facility Condition Monitoring Plan. The plan will allow annual reporting on facility condition, identification of risk areas, and verification that value is gained for funds expended.

Key Objective

Provide funding and support for the construction and upgrading of health facilities and seniors' lodges.

Results

- Provided capital funds for projects throughout the province. Examples of projects include:
  - Completed and opened the $2.8 million Eckville Community Health Centre which replaced the original 1945 Eckville Hospital and will provide community care services, public health services, rehabilitation services, diagnostic imaging and mental health community outreach services.
  - Approved funding for $18.4 million in new facilities in Camrose to replace two existing continuing care facilities. The North Site supportive housing facility was opened in September 2002.
  - Opened the second phase of the $5.2 million renovation project at the Women's Centre of the Royal Alexandra Hospital in Edmonton in the Spring of 2002.

- Substantially completed Phase 3 of the Alberta Hospital Ponoka redevelopment project including the $26.5 million Geriatric Psychiatry Centre completed in June 2002 and the $22.5 million Adult Psychiatry Program Centre.
- Commenced site preparation and underground services work on the west campus of the University of Calgary for the new Alberta Children's Hospital. Upon completion, proposed for 2005, the new hospital will increase the region's capacity to provide pediatric mental health, palliative care, rehabilitation, as well as emergency and outpatient care.

➡ Continued to provide Infrastructure Maintenance Program funding to health authorities with formula based grants for the capital upgrading of their facilities. The new formula was implemented in 2001-02 and provides health regions with increased flexibility in managing funds for capital upgrading projects.

➡ Worked with health regions to implement a number of long-term care facility projects using the public-private partnership approach. Public-private partnerships are considered a cost-efficient method of providing required capital projects that meet the health care needs of Albertans sooner than may have been available through traditional funding methods. Some examples include:

- 138-bed McKenzie Town Care Centre in Calgary;
- 120-bed Allan Gray Centre and the 124-bed Summit Care Centre in Edmonton; and
- 40-bed Long-Term Care Centre in Rocky Mountain House.

➡ Continued implementation of the multi-year Lodge Upgrading Program. In 2003-03, 11 lodges were completed for an accumulated total of 114 upgrades done out of the 121 in the program. The Lodge Upgrading Program will conclude in 2004-05. As lodges underwent additions or expansions, the ministry also provided on request, expertise in project management services. Services were specifically provided for projects in Stettler, Okotoks and Bonnyville.

Key Objective

Rationalize the ministry's contracting requirements for supported infrastructure.

Results

- Enhanced the ministry's contract management processes through continued development of the Contracting Directives for Funded Building Infrastructure Projects which are intended to clarify contracting requirements and ensure consistency in how school boards, post-secondary institutions, and health regions manage contracts for capital projects funded by the government. This draft policy was distributed to several stakeholders for their comments and will be redrafted to include details on public-private partnerships.

Core Business 3

Manage central services to all government departments including accommodation requirements, property acquisition and disposal, air transportation and government fleet operations.

	2002-03 Budget Estimate	2002-03 Actual Expenditures
Operating	**$135,495,000**	**$139,314,000**
Capital	**$8,587,000**	**$11,601,000**

This core business includes the capital funding for government accommodation requirements and tenant improvements for government facilities throughout Alberta. In addition, real estate services and land planning are managed for government ministries, as well as boards and agencies. These services include negotiating and documenting the purchasing and leasing of land, selling surplus properties, and providing land planning services for the Edmonton and Calgary Transportation and Utility Corridors.

As a core government service, the ministry provides air travel services to government departments, boards and agencies seven days a week, twenty-four hours a day. In addition, vehicle fleet operations are managed for all of government through executive vehicle operations and leasing for central vehicle operations.

The responsibility for procurement of supplies, disposal of surplus materials and representation in trade agreements impacting procurement were transferred to the Alberta Corporate Services Centre in May of 2002; therefore, they are not included in this annual report.

Financial Results

Operating Expenses

The specific ministry programs linked to this core business include leases, vehicle services, air transportation services and capital and accommodation projects.

This year saw an increase in building operating costs relating to both utilities and leasing costs for government-leased facilities. This combined with an increase in costs to maintain our aircraft resulted in our expenses exceeding the budget estimates by $3.8 million.

Capital Investment

The ministry purchased land that was required to continue construction of the Edmonton and Calgary ring roads. The costs relating to these purchases were higher than anticipated resulting in an over-expenditure of $3 million.

Goal 3

Increase the Effectiveness and Efficiency of Central Government Services

(supports GOA business plan goals 11 "Alberta will have effective and efficient infrastructure", *and 12* "Alberta will have a financially stable, open and accountable government")

Key Objective
Ensure effective use of infrastructure.

Results

- Completed The Edmonton Plan which resulted in nearly 300 government accommodation projects being undertaken to support the delivery of government programs and enhance services to Albertans. The Edmonton Plan team received the Gold Premier's Award of Excellence in 2002 for its efforts in implementing one of the most complex project management and accommodation projects undertaken by ministry staff.
- A further $36.6 million in surplus or underutilized properties was disposed of during this reporting period, exceeding the $100 million target over the course of three years. This was the final year of a three-year initiative; however, the ministry will continue to dispose of land and properties that government no longer requires for program delivery.
- Participated in a benchmarking survey done annually which compares building operating costs for buildings operated by the private sector with government agencies. As in previous years, operating costs in buildings owned and operated by Alberta Infrastructure continued to be significantly less than comparable buildings surveyed.

Key Objective
Provide efficient, cost-effective and timely procurement services to the public sector.

Results

- Transferred the Supply Management Branch from Alberta Infrastructure to Government Services, Alberta Corporate Service Centre on May 15, 2002 which provided procurement services for all government departments in areas such as information technology equipment and services, office furnishings and supplies. As the transfer was undertaken at the beginning of the fiscal year, results will be reported in Alberta Government Services' Annual Report. Alberta Infrastructure continues to procure construction and construction-related services, tenders for property management services and consulting services, and negotiates the acquisition of leased space.

Key Objective
Manage safe, reliable and cost-effective government transportation services.

Results

- Maintained a zero-accident rate in the provision of some 2,505 flights during the year; an increase of 47% from the previous year. Only eight departures were delayed more than 15 minutes providing an excellent reliability rating of over 99%.
- Continued to manage the leased and owned light-duty vehicle fleets for all government ministries, agencies and boards. At fiscal year end, the number of leased vehicles was 1,758 and the number of owned vehicles was 1,346 for a total of 3,104.
- Negotiated a new long-term contract for the provision of light-duty vehicles which came into effective April 1, 2003. The new contract provides for more options with lower amortization rates and lowest-in-class finance rates. A number of process improvements were also implemented to ensure the vehicle fleets are as cost-efficient and effective as possible. These included enhanced education and communication through use of the newly revised operators' manual; publication of the Fleet Management Manual on line, and an electronic order form to minimize errors in ordering by the user.

Supporting all Core Businesses

By effectively managing its human resources and working to improve service to clients, the ministry continued to support all core business through implementation of Goal 4. This goal aims to advise our stakeholders how we are continually striving to improve the delivery of our programs and to effectively plan for the future.

Based on the Financial Management Commission recommendations released in 2002, the ministry made a concerted effort to update its 2003-06 Business Plan to ensure the goals and strategies were more strategic and provided readers with a longer-term vision. Internal operational strategies, such as those contained in Goal 4, will be moved to a departmental operational plan that will guide all staff in implementing the goals and strategies laid out in future business plans. The costs associated with this particular goal are contained within the support services portions of each of the previous three core businesses.

Goal 4

Ensure A Value-Added Organization

(supports GOA business plan goals 8 "Alberta's workforce will be skilled and productive", *11* "Alberta will have effective and efficient infrastructure", *and 12* "Alberta will have a financially stable, open and accountable government"*)*

Key Objective
Improve services to clients.

Results

- Continued to enhance information sharing and consultation with all stakeholders, including school and post-secondary institution boards, health region boards, and industry:
  - Organized meetings with all school boards in Spring 2002 to discuss new and ongoing capital projects, long-term capital plans and various policy and program concerns of importance to the boards and the ministry.
  - Met with all health region boards to discuss existing and planned health facility capital projects, and issues of mutual concern.
  - Participated in meetings of senior business officers and facilities directors of post-secondary institutions, provided reports on ministry business, direction, policy and obtained input on post-secondary concerns and issues.

- Created a policy for renewal of contracts regarding property management services. The new policy outlines how contract renewal negotiations are to be undertaken and the responsibilities of both parties.
- Commenced development of a framework for evaluation of the services done by consultants and contractors. In consultation with industry, performance evaluations will be undertaken for ministry-contracted services to ensure service providers are accountable for their work, with evaluation as a condition of final payment.
- Restructured the ministry's Contracts Review Committee which has the responsibility and authority to approve, recommend and monitor significant procurement and contract decisions for the ministry. The committee's mandate and scope was reviewed and new monitoring responsibilities were added to ensure all ministry contracts are undertaken in a fair and transparent manner.

➡ Provided business case training to 96 representatives from health regions, post-secondary institutions, school boards and industry. The business case template was developed and adopted by government to assist stakeholder boards, ministries, and industry to more effectively outline their capital projects in a consistent and comprehensive manner. The new template has been incorporated into the capital planning process for all major capital projects undertaken or funded by the government, including potential public-private partnership projects.

➡ Redesigned Alberta Infrastructure's web site to improve access to information and enhance performance and timeliness. The public can now find timely topics under "In the News" on the site, as well as key information on public buildings and lands including the transportation and utility corridors surrounding Edmonton and Calgary, surplus properties, publications, as well as links to the electronic tendering systems (MERX and COOLNet Alberta).

Key Objective

Implement the Human Resource Plan.

Results

➡ Undertook the key strategies contained in Alberta Infrastructure's Human Resources Plan, *People First Strategy:*

- Focused on leadership planning by putting in place succession strategies for all executive management positions reporting to the Deputy Minister. The department also focused on leadership development throughout the organization using competencies as part of the learning and development component of the performance management process. As well, three executive managers were enrolled in a new Corporate Executive Development Program.
- Conducted several focus groups with representatives from executives and employees to determine needs related to coaching. Based on the focus group input, the department developed a "Coaching for Performance and Recognition" workshop and conducted the first workshop in February 2003.
- Implemented ongoing opportunities for cross training including staff secondments, job rotations and acting assignments. Twenty-six staff within the department participated in such developmental assignments for terms of three months or longer.

Key Objective
Expand efforts to attract and retain staff.

Results

- Participated in the second year of the Building Infrastructure Career Development Program. This program reflects a partnership between the ministry, the University of Alberta, other levels of government and key consulting industry stakeholders to provide a full range of work experience to students who are pursuing careers in design, development and management of vertical infrastructure.
- Continued the Internship Program which presents new graduates with opportunities to gain career experience and learn about the public service. In this second year of the program, six interns continued with their two-year assignments. To support the program, a workshop on mentoring was held for staff supervising interns.
- Developed learning plans and performance contracts for all staff as part of the performance management process. In addition, existing learning initiatives continued including the Learning Account Program.
- Held planning sessions and enhanced internal communications through avenues like employee newsletters intended to encourage staff to participate in sharing information and planning new initiatives.
- Participated in the Human Resource Advisory Committee with staff representatives on an ongoing joint committee with Alberta Transportation, to provide planning input into key human resource initiatives such as the department Human Resources Plan for each ministry.

- Encouraged employees to participate in fitness and health activities sponsored by the ministry's Wellness at Work Team. This dedicated team of employees promoted the physical and mental wellbeing of staff through fitness and walking programs, sports and social events, as well as health clinics and brown bagger health information sessions.
- Continued to reinforce a culture of recognizing and rewarding employees through ongoing initiatives like the Rewards and Recognition Program and committee. The committee is a collaboration of staff from the Ministries of Infrastructure and Transportation who encourage appropriate recognition for the milestones, innovative efforts and teamwork of approximately 1,900 employees combined. In addition to administration of five award categories, the committee produced a handbook for staff explaining the awards criteria.

Key Objective
Establish a Business Resumption Plan.

Results

- Developed and tested a Ministry Business Resumption Plan which will enable the ministry to resume the delivery of essential services in the event of an incident or disaster that disrupts normal operations. The plan documents essential services, resumption requirements, contact lists and procedures to resume essential services as quickly as possible.

Key Objective
Contribute to cross-ministry initiatives.

Results

- Participated in numerous key policy and administrative cross-ministry initiatives during the reporting period. Some examples include:
  - Supported the *Health Sustainability Initiative* by developing the Health Sustainability Fund which will provide $59 million to health authorities in the province over a three-year term starting in 2003-04. This initiative will provide funds for eligible capital projects that support health facility conversions from acute care to long-term care or designated assisted living, new service delivery models, mental health services integration and the realignment of regional services.
  - Participated in the cross-ministry *Economic Development Initiative*, in particular, the Rural Development Initiative. Department staff participated on the cross-ministry committee that is reviewing and analyzing issues facing rural Alberta and developing strategies for improvement in key areas. Work will continue into 2003-04 and will result in strategies supporting rural development being included in future ministry business plans.

Ministry of Infrastructure

AUDITOR GENERAL *Alberta*

Report of the Auditor General on the Results of Applying Specified Auditing Procedures to Performance Measures

To the Members of the Legislative Assembly

In connection with the Ministry of Infrastructure's performance measures included in the *2002-2003 Annual Report of the Ministry of Infrastructure,* I have:

1. Agreed information from an external organization to reports from the organization.

2. Agreed information from reports that originated from organizations included in the consolidated financial statements of the Ministry to source reports. In addition, I tested the procedures used to compile the underlying data into the source reports.

3. Checked that the presentation of results is consistent with the stated methodology.

4. Checked that the results presented are comparable to stated targets, and information presented in prior years.

5. Checked that the performance measures, as well as targets, agree to and include results for all of the measures presented in Budget 2002.

As a result of applying the above procedures, I found the following exception:

- There was no data available for one measure, *Client Satisfaction Survey*. Therefore, I was not able to complete procedures 2 to 5 above for this measure.

Procedures 1 to 5, however, do not constitute an audit and therefore I express no opinion on the performance measures included in the *2002-2003 Annual Report of the Ministry of Infrastructure*.

Fred J. Dunn FCA
Auditor General

Edmonton, Alberta
July 18, 2003

Performance Measures

Goal 1

Measure #1 - Energy Consumption Per Square Metre

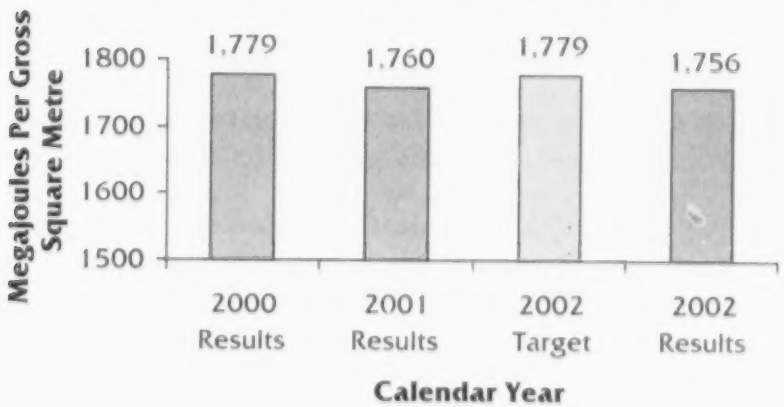
As an indicator of the efficient use of energy (natural gas and electricity) in government-owned and operated facilities during a 12-month period ending December 31, 2002, the measure is the average energy consumption in megajoules per gross square metre. The results are calculated by converting the actual energy consumption for gas and electricity into one common unit of measure (megajoules). The megajoules are adjusted for weather variations and divided by the total gross square metres of all owned facilities. The conversion to megajoules and weather variation adjustments permits annual comparisons of the energy consumption.

The data provided by utility invoices was tracked and analyzed using Alberta Infrastructure's Energy Consumption Reporting System to verify account information.

Results

In 2002, the energy consumption in owned and operated facilities was 1,756 megajoules per gross square metre.

Energy Consumption Per Gross Square Metre



About the Results

Energy consumption was below the 2002-03 target contained in the 2002-05 Business Plan as a result of the continuing efforts by the ministry to manage energy efficiency. The Energy Retrofit Program has consistently reduced the demand on heating, lighting and air conditioning systems.

Measure #2 - Physical Condition of Ministry-Owned and Operated Facilities

This measure is the percentage of ministry-owned and operated facilities over 1000 gross square metres that were rated in *good*, *fair* or *poor* condition. *Good* condition is defined as adequate for intended use and expected to provide continued service life with average maintenance. *Fair* condition is defined as buildings that have aging components nearing the end of their life cycle and require additional expenditures for renewal or refurbishing. *Poor* condition is defined as requiring upgrading to comply with minimum codes or standards and deterioration has reached the point where major repairs or replacement are necessary.

The percentage is calculated by taking the total replacement value of all facilities in *good*, *fair* or *poor* condition and dividing each by the total replacement value for all buildings. $1,650 per square metre was used to determine the average replacement value in each condition level.

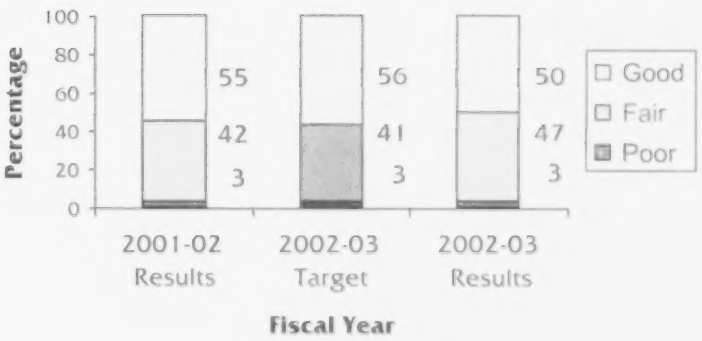
Ministry staff and consultants collected data through comprehensive facility evaluations over a five-year cycle with one-fifth of the data collected each year. The survey applied the same building evaluation tool to all facilities. A nine-point scale defined the condition level. Points from one to four were rated as *poor*, points five to six were rated as *fair* and points seven to nine were rated as *good*.

Facilities that are owned by government but are leased or operated by others were excluded from this measure.

Results

The physical condition of government owned and operated facilities was 50% in *good* condition, 47% in *fair* condition and 3% in *poor* condition.

Physical Condition of Owned and Operated Facilities



Note: The target for 2002-03 was established based on preliminary information of the condition of the building infrastructure available in the Fall of 2001 and prior to the actual 2001-02 results being compiled. Therefore it is not indicative of the actual trend that is occurring whereby more facilities are moving from good condition to fair condition. This is explained in more detail below.

About the Results

Under the Capital Planning Initiative, buildings are considered to be in acceptable condition if they are rated as *good* or *fair*. This condition information assists in making maintenance budget spending decisions, indicates trends and areas of need. The data identifies specific projects required to improve the building condition rating.

In the case of the government-owned and operated facilities, 97% of buildings remained in acceptable condition; however, the percentage of buildings in *good* condition moved from 55% (in 2001-02) to 50% in 2002-03, while the percentage of buildings in *fair* condition increased from 42% in 2001-02 to 47% in 2002-03. The percentage of buildings in *poor* condition remained the same at 3%. Changes in the *good* and *fair* ratings are due primarily to the following two key factors.

To ensure that the evaluation method used across all buildings was as consistent as possible, the ministry enhanced its methodology for evaluating buildings. Previously an evaluator selected the rating by matching the overall condition with a set of definitions. For 2002-03, the results were calculated based on separate ratings for the five major building systems (structural, envelope, interior, mechanical and electrical). Under the new evaluation method, nine facilities moved from *good* into the *fair* condition level and those facilities in *poor* condition continued to show as in *poor* condition.

The other factor that impacted the results was the fact that facilities are continuing to age and therefore require significant maintenance to be undertaken. Funding is spent each year on maintenance, in particular to address health and safety issues and to protect the integrity of the building infrastructure. As buildings age, the amount of required maintenance increases; however, the amount of funding available has not increased accordingly. Funding for maintenance is prioritized against the funding needs for new capital required for economic growth, utilization, and changes in the provision of government programs. All of these funding needs must be balanced to meet the highest priority needs of all Albertans.

As additional explanatory information, due to a printing error, the 2002-05 Business Plan reported the rating scale for the *poor* condition category as being from points one to three and for *fair* as points four to six. The scale should have been reported as being one to four points for *poor* and five to six for *fair*. The scale for *good* was the same as reported in the business plan rated from seven to nine points. This is consistent with the reporting done for the 2001-02 fiscal year.

Measure #3 - Utilization of Ministry-Owned and Operated Facilities

The utilization measure was created to support the Capital Planning Initiative and determine the ongoing use of space. This measure is defined as the percentage of ministry owned and operated facilities over 1,000 gross square metres utilized within targeted capacity. Utilization rate is the ratio of space allocated for required programs to total usable space. Facilities with a utilization rate between 85% and 100% are within targeted capacity. The utilization rate threshold was revised from 75% in the previous year to 85% to reflect the fact that ministry-owned and operated facilities were typically utilized beyond 85% and this new threshold would set a more appropriate standard for facilities to be well used.

All eligible facilities over 1,000 gross square metres were rated according to capacity based on individual building occupancy rates. The total square metres of each facility was converted to a dollar value based on a standard replacement cost of $1,650 per square metre. The percentage of utilization was determined by the accumulated dollar value of all facilities identified as within targeted capacity divided by the dollar value of the entire inventory.

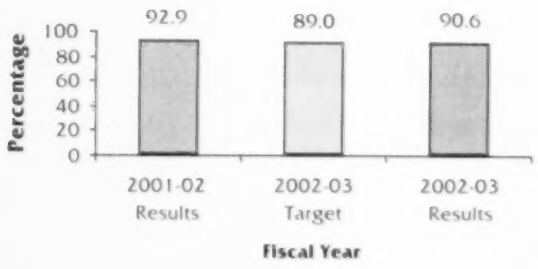
Data for this measure was provided by an internal database of all ministry-owned and operated facilities over 1,000 gross square metres. The data includes space used by quasi-government organizations that provide programs and services to communities and the public. The data does not include:

- government-owned hospital buildings operated by regional health authorities and actively used as a hospital facility;
- government-owned facilities on a long-term lease (25 to 40 year leases) where the Ministry of Infrastructure is not responsible for the maintenance; and
- buildings sold in the reporting year.

Results

90.6 % of ministry-owned and operated facilities were utilized within targeted capacity.

Utilitization of Ministry-Owned and Operated Facilities



About the Results

The percentage of utilization exceeded the target in the 2002-05 Business Plan due to the sale of three out of five properties previously identified as under utilized. The sale of these properties removed them from the total number of buildings thereby increasing the overall percentage of buildings within targeted capacity. A fourth property moved to the targeted capacity rating after being renovated and better utilized as a result. Together these changes increased the utilization percentage beyond the target.

The percentage decrease in utilization from the previous year is a result of fluctuations in client needs that vary from year to year.

Measure #4 - Functional Adequacy of Ministry Owned and Operated Facilities

The measure is the percentage of ministry-owned and operated facilities over 1,000 gross square metres rated as providing "acceptable" functional service. The percentage is determined when the accumulated dollar value of all facilities identified as "acceptable" is divided by the dollar value of the entire inventory. The total square metres of each facility are converted to a dollar value based on a standard replacement cost of $1,650 per square metre.

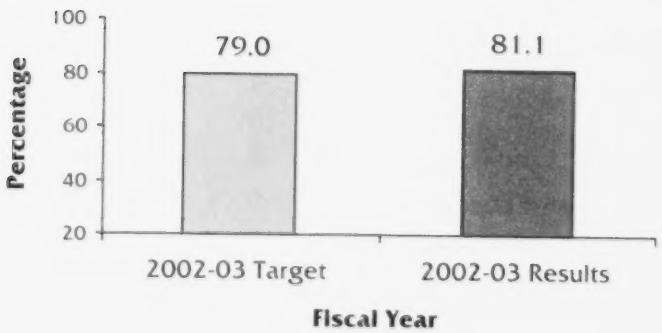
The ratings for "acceptable" functional service were based on evaluations, of entire buildings as a whole, by Alberta Infrastructure staff in consultation with program departments. The evaluation determined a functionality rating of either "acceptable" or "unacceptable" for each facility over 1,000 gross square metres. The assessment was done using general criteria, knowledge and discretion regarding location suitability and the capacity to accommodate and support the delivery of programs. Facilities were rated as "acceptable" when current and planned functional program requirements were met.

Data for this measure was provided by an internal database of all ministry-owned and operated facilities over 1,000 gross square metres.

Results

The percentage of ministry-owned and operated facilities that provided acceptable functional service in 2002-03, was 81.1.

Functional Adequacy of Ministry-Owned and Operated Facilities



About the Results

The ministry surpassed the business plan target for 2002-03. The percentage of facilities providing functional adequacy increased as a result of the sale of five properties. The sale of a property removed it from the total number of buildings and lowered the number in the "unacceptable" category. This increased the number and percentage of "acceptable" facilities as a part of the total. In addition, other buildings moved into the acceptable rating after renovations were completed. This also added to the percentage increase.

Goal 2

Measure #5 - Physical Condition of Health Facilities Supported by Alberta Infrastructure

New measure

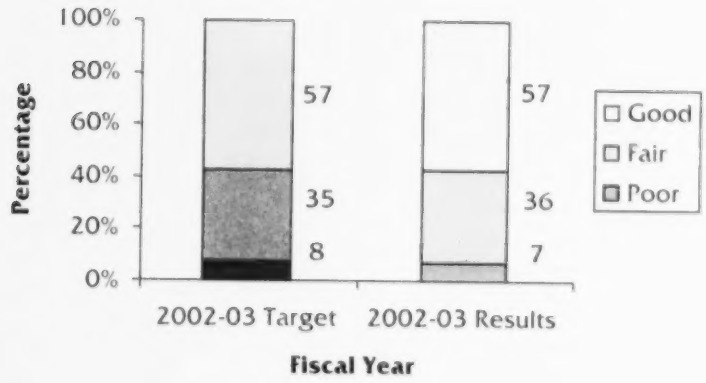
The physical condition measure for health facilities is a new measure and is based on a Facility Condition Index (FCI). The FCI is the ratio of the five-year forecasted physical deficiency correction costs to the replacement value expressed as a percentage in a three point scale - *good, fair, poor*. Facilities in *good* condition have an FCI rating of less than 5%, those in *fair* condition have a rating of between 5 and 10%, and buildings in *poor* condition have an FCI rating of greater than 10%.

The cost to correct physical deficiencies was obtained through facility evaluations conducted by professional consultants and verified by the Regional Health Authorities and Alberta Infrastructure. In cases where facility evaluation data was incomplete, Alberta Infrastructure estimated the total physical deficiency costs based on the ongoing working knowledge obtained through on-site participation. Alberta Infrastructure determined the replacement values for all publicly funded facilities using such factors as program type and building area.

Results

In 2002-03, 57% of health facilities were in *good* condition, 36% were in *fair* condition and 7% were in *poor* condition.

Physical Condition of Health Facilities



About the Results

The construction of $134 million of new facilities and the upgrading of $34 million of existing facilities resulted in the targets being achieved. During 2002-03, eight new facilities and two major upgrading projects were completed to improve the performance of the health facilities, moving the percentage of facilities rated as *poor* from 8% to 7%.

This measure contributes valuable information to assist with decisions on funding and priority setting.

Measure #6 - Physical Condition of School Facilities (Kindergarten to Grade 12)

New measure

This new measure outlining the physical condition of schools is based on the number and type of facilities that are in *good*, *fair* or *poor* condition depending on the number and type of physical deficiencies identified. Under a non-weighted point-scoring system, facilities with a point rating between 0 to 399 were in *good* condition; those with 400 to 799 points were in *fair* condition; and those with 800 or more points were considered to be in *poor* condition. The score for this measure is expressed as a percentage of total school facilities.

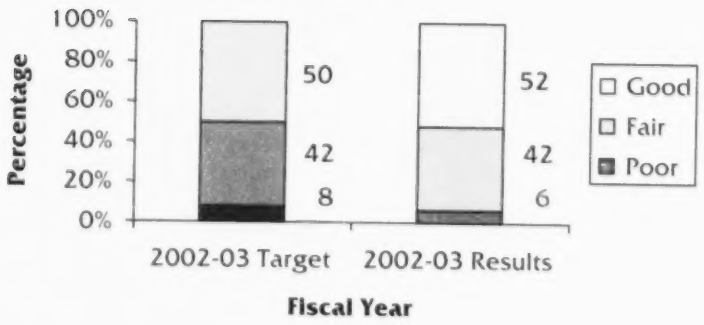
While school facilities are owned and operated by the school boards, they are funded by Alberta Infrastructure, therefore, the condition of the facilities remains important to both organizations.

The measure supports the Capital Planning Initiative and provides data to assist with establishing priorities and making funding decisions.

Results

52% of school facilities were in *good* condition, 42% were in *fair* condition and 6% were in *poor* condition.

Physical Condition of School Facilities (K-12)



About the Results

The percentage of schools rated in *poor* condition was 2% less than anticipated when the target was developed. As well, the percentage of schools rated in *good* condition was 2% above the target as substantial funding was invested in infrastructure improvements during the year.

$266.4 million in capital funding was approved for 100 school facilities to address the deficiencies specifically identified in the baseline audits performed by external consultants in 1999-00. The actual results for the year ended March 31, 2003 were for 1,426 regular school facilities excluding outreach facilities and charter schools.

As new condition audits have not been undertaken since the facility upgrades were done, assumptions have been made on the current condition of each facility. Ratings were based on the initial point rating, taking into account the funding that has been approved and provided for upgrades within each facility, and the scope of the deficiencies remaining. Although these assumptions and ratings for each facility have not been validated, information received from school boards indicated that work on the majority of the 100 approved projects was substantially complete. These assumptions will be validated by future facility audits.

Measure #7 - Utilization of School Facilities (Kindergarten to Grade 12)

New measure

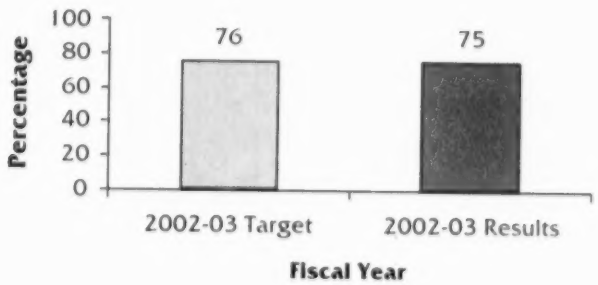
Utilization of school facilities is a new measure and is expressed as student enrolments as a percentage of school building capacity. The capacity of a school building is based on a set amount of building area allowed per student. The area per student is established for elementary, junior high and high school students with adjustments for special needs and kindergarten students. The adjustment acknowledges that special needs students require more space than mainstream students and that kindergarten students do not attend full-time. Another adjustment is made for high schools built prior to 1990. These buildings have wider hallways and therefore less instructional space available than recently constructed high schools. Alberta Learning provides the student enrollment data annually as of September 30th.

The measure will also assist with establishing priorities and making funding decisions regarding the expansion, revitalization and disposal of facilities based on the need for student space. Charter schools were not included in the measure.

Results

The average provincial utilization rate for all regular school facilities was 75% for the 2002-03 year.

Provincial Utilization of Schools (K-12)



About the Results

The provincial utilization rate was 1% below the estimated target. The utilization rate was affected by a combination of two factors: fewer new student spaces than expected; and a slight increase in enrolment rather than an expected decline. The target of 76% was established based on an estimation of enrolments, which can be very difficult to predict from year to year.

Projects currently under construction are expected to increase the available space and impact the utilization rate downward if enrolments level off or decline.

Measure #8 - Physical Condition of Post-Secondary Facilities

New measure

This new measure presents the physical condition of post-secondary facilities as a percentage of the total facilities rated in *good*, *fair* or *poor* condition. The rating was determined using a Facility Condition Index. The index ratio compares the total cost of deficiencies to the replacement value of the facility. The total cost of deficiencies was calculated by taking the estimated cost of remedial work recommended for the next five years to bring the condition level to either *good* or *fair*, and adjusting it for factors such as location, contingency and consultant fees.

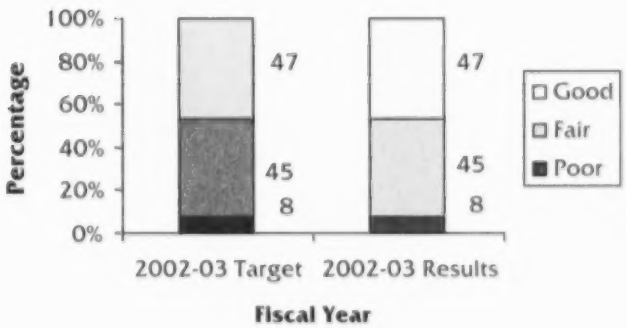
The condition of post-secondary facilities is a joint responsibility of the boards of the institutions and Alberta Infrastructure.

The measure also supports the Capital Planning Initiative and provides data to assist with establishing priorities and making funding decisions.

Results

In 2002-03, facilities in *good* condition were 47%. Those in *fair* condition were 45% and the remaining 8% were in *poor* condition. Consultan*s gathered the data in 2002 through a facility condition study of post-secondary institutions in Alberta.

Physical Condition of Post-Secondary Facilities



About the Results

As a new measure, the results established a snap shot of the physical condition of post-secondary facilities as of March 31, 2003 and were on target. Changes did occur in condition levels with 85,000 square metres of additional space added to the post-secondary system; however, this was offset by deterioration in the condition of other facilities. The overall result was no change to the percentage of facilities in each category.

Proposed Additional Measure for Operation and Maintenance of Schools

When the 2002-05 Business Plan was developed, the intent was to develop a performance measure that would enable the ministry to monitor the use of school plant operations and maintenance funds provided by Alberta Infrastructure. During 2002-03, preliminary work was undertaken on a monitoring strategy. During this review, it was concluded that an overall system, consisting of several processes was required to ensure that all types of facility-related funding, including capital, plant operations and maintenance and Infrastructure Maintenance Program funding were achieving value for money and to evaluate whether spending complies with Alberta Infrastructure legislation, regulation and policy. Since the effect of all of this funding results in changes to the condition of the facilities, it was determined that an additional measure was not required. As part of the ongoing monitoring that will take place, facility condition audits will be updated on a regular basis, thereby allowing the ministry to update the results of the condition performance measure. The condition measure is a key outcome measure and is one of three core measures under the government's Capital Planning Initiative.

Measure #9 - Number of Seniors' Lodges Upgraded

The measure for the Seniors' Lodge Upgrading Program is defined by the cumulative number of seniors' lodges projects completed. A total of 121 lodges are included in the overall program that started in 1994. When all of the projects are finished, the program will be complete.

Projects are considered complete when letters of interim acceptance are provided to the contractor, or once the final payment is issued to the lodge foundation. These projects are then added to the previous year's total for a cumulative result.

Results

In 2002-03, an accumulated total of 114 seniors' lodge upgrade projects were completed.

Number of Seniors' Lodge Upgrading Projects Completed:

	2000-01	2001-02	2002-03
Results	91	103	114
Targets	90	105	115

About the Results

Eleven out of twelve of the scheduled lodge upgrade projects were completed. One upgrade was deferred due to a review, undertaken in consultation with Alberta Seniors and the lodge foundation, of the long-term plan for facilities in that area. As a result the number of projects completed was one short of the target.

Goal 3

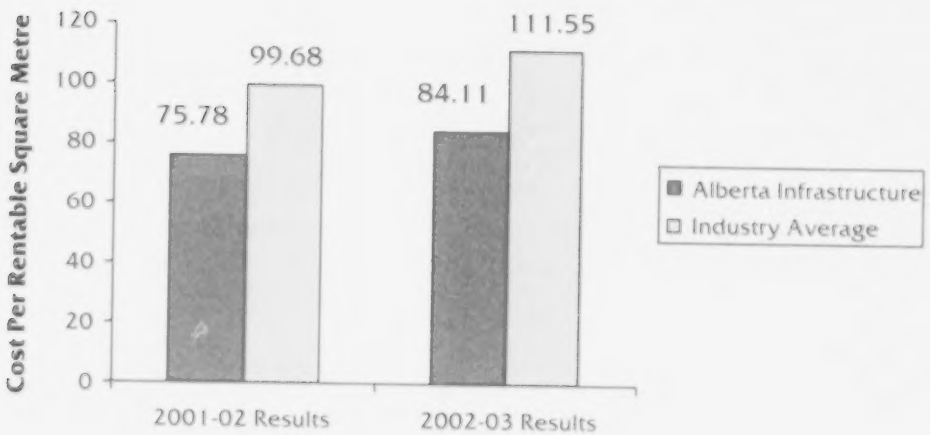
Measure #10 - Operating Cost Per Square Metre

This measure compares the average annual operating cost per rentable square metre for all ministry-owned and operated office buildings to the Alberta industry average. Operating costs include utilities, caretaking, routine maintenance, insurance and taxes. Rentable metres exclude the basement, vertical penetrations, external walls and interior parking. The industry average was determined using the results of private sector and other government buildings in Alberta included in a national benchmark survey undertaken in 2002 by Facility Management Development Company Inc.

Results

The average operating cost per rentable square metre of all office buildings owned and operated by Alberta Infrastructure was $84.11.

Operating Cost of Ministry Owned Buildings



About the Results

The ministry achieved its 2002-03 target to keep government facility operating costs below the annual industry average. While the average operating costs for ministry-owned and operated buildings are significantly lower than the industry average, the increase from the previous year is due to the cost of utilities, caretaking, grounds upkeep/snow clearing, more maintenance for older mechanical/electrical systems and inflation.

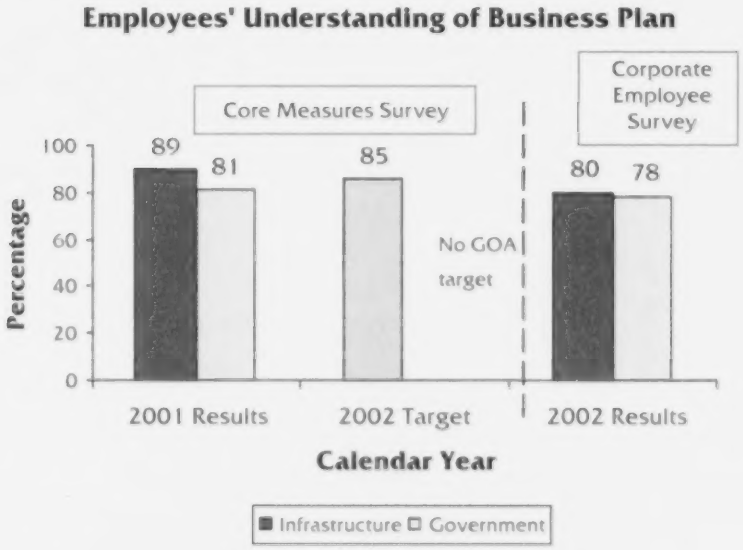
Goal 4

Measure #11 - Employees' Understanding of the Business Plan

The intent of this measure is to determine the percentage of Alberta Infrastructure employees who understand how their work contributes to the ministry's business plan. Employees' understanding of the business plan, its goals, strategies and measures, is key to ensuring that the ministry achieves its overall strategic objectives.

Results

The bar chart shows that 80% of Alberta Infrastructure employees understand how their work contributes to the ministry's business plan.



About the Results

The results for the 2002 calendar year are based on the Government of Alberta's Corporate Employee Survey undertaken in the Fall of 2002. The survey respondents used a three-point scale to answer the following question:

"Your organization helps you know and understand how your work contributes to the achievement of your department business plan."

Respondents were asked whether they "agreed", were "neutral" or "disagreed". The results indicated that 62% of 428 Alberta Infrastructure employees surveyed agreed and 18% of those employees were neutral in their response for a total of 80%, as compared to 57% of 7,068 Government of Alberta employees surveyed agreed and 21% were neutral in their response. The margin of error for the results of this survey is no greater than ±5% at the 95% confidence level. Similar to the Government of Alberta results, the 2002 results declined from the previous year; however, Alberta Infrastructure's results remained above the average for the Government of Alberta.

The results noted for 2001 were taken from the Government of Alberta's Core Measures Survey. At that time, many ministries were also supplementing this cross-government survey with more specific internal employee surveys. In early 2002, as part of the cross-ministry Corporate Human Resources Development Initiative, it was decided that it would be more efficient to expand the cross-government survey rather than having individual ministries undertake surveys to meet their individual needs.

To enhance employee understanding of the business plan, Alberta Infrastructure has embarked on a number of initiatives including improved communication through divisional and branch strategic planning sessions, and the development of an operational plan. The annual operational plan identifies the actions and initiatives that will be undertaken to achieve each business plan goal and strategy. It includes key deliverables and milestones, who's responsible for each item, and which employees and branches will provide support. This operational plan will be distributed to every employee to enhance their understanding of the overall business plan process. It will also give all employees an opportunity to participate in initiatives and teams to achieve ministry objectives.

With the implementation of the operational plan and the overall intent to make ministry business plans more strategic rather than operational, this is the last year that this particular measure will appear in the ministry business plan. In the future, such initiatives and related measures will be included in the Department's Human Resources Plan.

Measure #12 - Client Satisfaction Survey

Following completion of the 2002 client satisfaction survey, the ministry's Executive Team determined that it would be more practical and cost-effective to conduct this survey every two years rather than every year. This longer time span allows more time for the ministry to react to items identified by the previous survey and to effectively react to client needs. Therefore, this annual report does not contain client satisfaction results for 2003. As noted in the ministry's 2003-06 Business Plan, the next survey will be done in early 2004 based on clients' perception of the ministry's service during calendar years 2002 and 2003. Results of that survey will be reported in the 2003-04 Annual Report.

Financial Information

Results Analysis

In 2002-03, Alberta Infrastructure's initial combined operating and capital budget was $847 million. The transfer of the Supply Branch to the Alberta Corporate Services Centre reduced the budget by $9.36 million for a revised budget of $837 million. During the 2002-03 fiscal year, supplementary estimates and Treasury Board approvals increased the revised budget by $26.6 million for a total authorized budget of $864 million.

The ministry incurred $849 million in total combined operating expenses and capital investment in 2002-03, $15 million lower than the authorized budget. This under-expenditure is primarily the result of lower than anticipated amortization and nominal sum disposal costs, which are both non-cash expenses. In terms of cash funding available to fund program expenditures, the ministry's unexpended balance was $1.5 million.

A number of funding reallocations occurred within the ministry to address critical operational pressures. Details of the significant changes are outlined below.

Ministry support services operating and capital spending combined, exceeded the authorized budget by $7.2 million. This was a result of higher than budgeted costs associated with information technology initiatives.

Significant under-expenditures occurred in health care, school and post-secondary facilities program budgets as a result of the need to fund operational pressures such as escalating utility and lease costs, critical health, safety and information technology initiatives.

Capital and Accommodation Projects operating expenses for government-owned facilities exceeded the authorized budget by $5.2 million as a result of a number of critical initiatives to address health and safety issues.

Property Operations exceeded the authorized budget by $3.4 million as a result of high utility costs in 2002-03.

Lease costs exceeded the authorized budget by $8.6 million as a result of high utility and escalating lease costs.

Ministry Of Infrastructure

FINANCIAL STATEMENTS
Year ended March 31, 2003

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Ministry of Infrastructure

AUDITOR GENERAL
Alberta

AUDITOR'S REPORT

To the Members of the Legislative Assembly

I have audited the statement of financial position of the Ministry of Infrastructure as at March 31, 2003 and the statements of operations and changes in financial position for the year then ended. These financial statements are the responsibility of the Ministry's management. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

The Ministry is required to follow the corporate government accounting policies and reporting practices established by Alberta Finance, including the following policy that is an exception from Canadian generally accepted accounting principles. The Ministry reports the costs of site remediation in the period in which the remediation work is performed rather than in the periods in which the liabilities arise. In my opinion, the Ministry should estimate the cost and record the liability for sites that do not meet the acceptable contractual or environmental standards. The estimate of the liability should be refined each year, as the extent of required remediation work becomes known. The effect of this departure from Canadian generally accepted accounting principles is significant.

In my opinion, except for the effects of the matter discussed in the preceding paragraph, these financial statements present fairly, in all material respects, the financial position of the Ministry of Infrastructure as at March 31, 2003 and the results of its operations and the changes in its financial position for the year then ended in accordance with Canadian generally accepted accounting principles.

FCA
Auditor General

Edmonton, Alberta
May 23, 2003

Ministry of Infrastructure
STATEMENT OF OPERATIONS

Year ended March 31, 2003

(in thousands)

	2003		2002
	Budget	Actual	Actual
	(Schedule 4)		*(Restated - Note 3)*
Revenues (Schedules 1 and 2)			
Internal Government Transfers	$ 105,000	$ 105,000	$ 345,000
Fees, Permits and Licenses	2,000	2,723	2,668
Investment Income	4,000	10,843	7,422
Other Revenue			
Refunds of Expenditures	4,150	2,083	46,608
Other Revenue	24,590	46,214	44,591
	139,740	166,863	446,289
Expenses - Directly Incurred (Note 2b and Schedule 8)			
Voted (Schedules 3 and 5)			
Ministry Support Services	11,876	17,112	17,682
Construction, Upgrading and Operation of Infrastructure	806,572	796,217	2,362,653
Cross Government Services	6,291	5,526	5,593
	824,739	818,855	2,385,928
Valuation Adjustments			
Provision for Doubtful Accounts	100	87	164
Provision (Decrease) for Vacation Pay	-	363	(559)
	100	450	(395)
	824,839	819,305	2,385,533
Gain on Disposal of Capital Assets	-	(18,125)	(17,152)
Net Operating Results	$ (685,099)	$(634,317)	$ (1,922,092)

The accompanying notes and schedules are part of these financial statements.

Ministry of Infrastructure
STATEMENT OF FINANCIAL POSITION

Year ended March 31, 2003

(in thousands)

	2003	2002
		(Restated - Note 3)
ASSETS		
Cash	$ 912	$ 1,086
Accounts Receivable (Note 5)	18,908	16,091
Loans and Advances (Note 6)	513	726
Inventories (Note 7)	3,756	2,333
Capital Assets (Note 8)	1,426,137	1,462,788
	$ 1,450,226	$ 1,483,024
LIABILITIES		
Accounts Payable and Accrued Liabilities	$ 53,855	$ 82,690
Holdbacks Payable	4,207	3,141
Unearned Revenues	2,137	2,093
	60,199	87,924
NET ASSETS		
Net Assets at Beginning of Year (Note 3)	1,395,100	1,258,662
Net Operating Results	(634,317)	(1,922,092)
Net Transfer from General Revenues	629,244	2,058,530
Net Assets at End of Year	1,390,027	1,395,100
	$ 1,450,226	$ 1,483,024

The accompanying notes and schedules are part of these financial statements.

Ministry of Infrastructure
STATEMENT OF CHANGES IN FINANCIAL POSITION

Year ended March 31, 2003

(in thousands)

	2003 Actual	2002 Actual (Restated - Note 3)
Operating Transactions		
Net Operating Results	$ (634,317)	$ (1,922,092)
Non-cash Items:		
Amortization	40,289	40,403
Gain on Disposal of Capital Assets	(18,125)	(17,152)
Grants in Kind	1,535	-
Non-Cash Adjustment	-	(160)
Non-Cash Revenue (Note 2)	(523)	-
Write-down Charged to Voted Appropriation	596	-
Consumption of Inventory	3,136	2,809
Valuation Adjustments	450	(395)
	(606,959)	(1,896,587)
Increase in Accounts Receivable	(3,500)	(1,712)
Decrease in Advances	213	232
Decrease in Accounts Payable and Accrued Liabilities	(29,198)	(182,247)
Increase in Holdbacks Payable	1,066	825
Increase (Decrease) in Unearned Revenue	44	(530)
Cash Provided (Used) by Operating Transactions	(638,334)	(2,080,019)
Investing Transactions		
Purchase of Capital Assets (Schedule 5)	(25,110)	(28,770)
Purchase of Inventories (Schedule 5)	(4,783)	(3,283)
Transfers to Other Government Entities	2,986	17,200
Proceeds from Disposal of Capital Assets	35,823	36,054
Cash Provided by Investing Transactions	8,916	21,201
Financing Transactions		
Net Transfer from General Revenues	629,244	2,058,530
Net Cash Used	(174)	(288)
Cash, Beginning of Year	1,086	1,374
Cash, End of Year	$ 912	$ 1,086

The accompanying notes and schedules are part of these financial statements.

Ministry of Infrastructure
NOTES TO THE FINANCIAL STATEMENTS

Year ended March 31, 2003

NOTE 1 AUTHORITY AND PURPOSE

The Ministry of Infrastructure operates under the authority of the Government Organization Act, Chapter G-10, Revised Statutes of Alberta 2000.

The Minister is responsible for:

- Working with partners to provide cost-effective, innovative and sustainable building infrastructure to support the delivery of government services.
- Managing government owned and operated facilities.
- Providing realty services for government facilities.
- Managing government air and vehicle fleets.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND REPORTING PRACTICES

The recommendations of the Public Sector Accounting Board of the Canadian Institute of Chartered Accountants are the primary source for the disclosed basis of accounting. Recommendations of the Accounting Standards Board of the Canadian Institute of Chartered Accountants, other authoritative pronouncements, accounting literature, and published financial statements relating to either the public sector or analogous situations in the private sector are used to supplement the recommendations of the Public Sector Accounting Board where it is considered appropriate. These financial statements are prepared in accordance with the following accounting policies that have been established by government for all ministries.

(a) Reporting Entity

The reporting entity is the Ministry of Infrastructure which consists of the Department of Infrastructure for which the Minister of Infrastructure is accountable.

All departments of the Government of Alberta operate within the General Revenue Fund (the Fund). The Fund is administered by the Minister of Finance. All cash receipts of departments are deposited into the Fund and all cash disbursements made by departments are paid from the Fund. Net transfer to/from General Revenues is the difference between all cash receipts and all cash disbursements made.

(b) Basis of Financial Reporting

Revenues

All revenues are reported on the accrual method of accounting. Cash received for which goods or services have not been provided by year end is recorded as unearned revenue.

Where the Ministry receives a donated asset, the fair market value of the donated asset is recorded as non-cash revenue.

Ministry of Infrastructure
NOTES TO THE FINANCIAL STATEMENTS

Year ended March 31, 2003

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND REPORTING PRACTICES (continued)

Internal Government Transfers

Internal government transfers are transfers between entities within the government reporting entity where the entity making the transfer does not receive any goods or services directly in return.

Dedicated Revenue

Dedicated revenue initiatives provide a basis for authorizing spending. Dedicated revenues must be shown as credits or recoveries in the details of the Government Estimates for a supply vote. If actual dedicated revenues are less than budget and total voted expenses are not reduced by an amount sufficient to cover the deficiency in dedicated revenues, the following year's voted expenses are encumbered. If actual dedicated revenues exceed budget, the Ministry may, with the approval of the Treasury Board, use the excess revenue to fund additional expenses on the program. Schedule 2 discloses information on the Ministry's dedicated revenue initiatives.

Expenses

Directly Incurred

Directly incurred expenses are those costs the Ministry has primary responsibility and accountability for, as reflected in the Government's budget documents.

Directly incurred expenses include:

- amortization of capital assets.
- pension costs which comprise the cost of employer contributions for current service of employees during the year.
- valuation adjustments which include changes in the valuation allowances used to reflect financial assets at their net recoverable or other appropriate value. Valuation adjustments also represent the change in management's estimate of future payments arising from obligations relating to vacation pay, guarantees and indemnities.
- government transfers which are transfers of money to an individual, an organization or another government for which the Ministry does not receive any goods or services directly in return. They are often referred to as grants. Expenses are recognized as follows:
  - entitlements, which are non-discretionary because the amounts and recipients are prescribed, are recognized when eligibility occurs;
  - transfers under shared cost agreements, which are reimbursements of eligible expenditures, are recognized when the expenditures occur; and
  - grants, which are transfers made at the discretion of government, are recognized when payment is authorized.

Ministry of Infrastructure
NOTES TO THE FINANCIAL STATEMENTS

Year ended March 31, 2003

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND REPORTING PRACTICES (continued)

Incurred by Others

Services contributed by other entities in support of the Ministry operations are disclosed in Schedule 8.

Assets

Financial assets of the Ministry are limited to financial claims, such as advances to and receivables from other organizations, employees and other individuals.

Inventories of aircraft parts and supplies are valued at the lower of cost or replacement cost.

Assets acquired by right are not included. Capital assets of the Ministry are recorded at historical cost and amortized on a straight-line basis over the estimated useful lives of the assets. The threshold for capitalizing new systems development is $100,000 and the threshold for all other capital assets is $15,000. All land is capitalized.

Capital assets of the Ministry include work in progress for buildings and computer hardware and software. These costs are capitalized but not amortized until the asset is in service.

Donated capital assets are recorded at their fair value at the time of contribution.

When physical assets (capital assets and inventories) are gifted or sold for a nominal sum to parties external to the government reporting entity, the fair values of these physical assets, less any nominal proceeds, are recorded as grants in kind.

Liabilities

Liabilities represent all financial claims payable by the Ministry at fiscal year end.

Net Assets/Net Liabilities

Net assets/net liabilities represents the difference between the value of assets held by the Ministry and its liabilities.

Site Remediation

Certain liabilities may exist for site remediation and contamination which may be the responsibility of the Ministry but are not quantified. The potential costs relate to restoring building and other sites to acceptable contractual or environmental standards. Costs for site remediation are recognized in the financial statements when work is undertaken. No annual provision is made for future site remediation.

Ministry of Infrastructure
NOTES TO THE FINANCIAL STATEMENTS

Year ended March 31, 2003

NOTE 3 PROGRAM TRANSFERS AND CORRECTION OF PRIOR PERIOD ERROR

(in thousands)

Program Transfers

Certain programs were transferred between ministries effective April 1, 2002. Two transfers affected the Ministry of Infrastructure.

- Supply Branch, which provides centralized procurement, mail, surplus sales, and courier services for the Government of Alberta, was transferred to Alberta Corporate Service Centre in the Ministry of Government Services pursuant to Order in Council 224/2002.
- Responsibility for funding the operation and maintenance of school facilities was transferred from the Ministry of Learning.

Comparative numbers for 2002 have been restated as if the Ministry had always been assigned its current responsibilities.

The effects of the restatement in 2002 are:

- Net assets at April 1, 2001 were increased due to the transfer of a net liability of $ 378 to Government Services.
- Revenues were reduced by $ 3,463 and expenses were reduced by $ 8,615 due to the transfer to Government Services.
- Expenses were increased by $ 309,084 due to the transfer from Alberta Learning.

Correction of Prior Period Accounting Error

A property asset was deleted from the financial records in 1998. The asset has been retroactively re-instated at the value it would have been had it continued to be amortized since its inception.

The effects of the restatement are:

- Net assets at April 1, 2001 were increased by $ 19,921.
- Amortization expense as at March 31, 2003 increased by $ 884 (2002 - $884).

The cumulative effect of these restatements is:

Net assets as previously reported at March 31, 2001	$ 1,238,363
Transfer to the Ministry of Government Services	378
Correction of Prior Period Accounting Error	19,921
Net assets, as restated at April 1, 2001	$ 1,258,662

Ministry of Infrastructure
NOTES TO THE FINANCIAL STATEMENTS

Year ended March 31, 2003

NOTE 4 VALUATION OF FINANCIAL ASSETS AND LIABILITIES

Fair value is the amount of consideration agreed upon in an arm's length transaction between knowledgeable, willing parties who are under no compulsion to act.

The fair values of accounts receivable, advances, accounts payable and accrued liabilities, and unearned revenues are estimated to approximate their book values. Fair values of loans are not reported due to there being no organized financial market for the instruments and it is not practicable within constraints of timeliness or cost to estimate the fair value with sufficient reliability

NOTE 5 ACCOUNTS RECEIVABLE

(in thousands)

	2003			2002
	Gross Amount	Allowance for Doubtful Accounts	Net Realizable Value	Net Realizable Value
				(Restated - Note 3)
Seniors' Lodges	$ 8,995	$ -	$ 8,995	$ 4,133
Swan Hills	5,122	-	5,122	2,765
Interest Receivable	2,897	-	2,897	2,629
Rental and Other	1,327	249	1,078	4,130
Refunds from suppliers	816	-	816	2,434
	$ 19,157	$ 249	$ 18,908	$ 16,091

Accounts receivable are unsecured and non-interest bearing.

NOTE 6 LOANS AND ADVANCES

(in thousands)

	2003			2002
	Gross Amount	Allowance for Doubtful Accounts	Net Realizable Value	Net Realizable Value
Travel advances[1]	$ 11	$ -	$ 11	$ 22
Mortgages receivable[2]	502		502	704
	$ 513	$ -	$ 513	$ 726

(1) The Ministry has used funds advanced by Alberta Finance to provide travel advances.

(2) Mortgages receivable are repayable over the next two years as follows: $202 in 2004 and $300 upon the approval of certain subdivisions. These mortgages are non-interest bearing and transfer of title is contingent upon final payment being received.

Ministry of Infrastructure
NOTES TO THE FINANCIAL STATEMENTS

Year ended March 31, 2003

NOTE 7 INVENTORIES
(in thousands)

Inventories consist of consumables and repair parts for the delivery of programs, waste treatment services, and air transportation services.

	2003	2002
Chemical and parts inventories	$ 2,377	$ 1,059
Aircraft parts and supplies	1,379	1,274
	$ 3,756	$ 2,333

NOTE 8 CAPITAL ASSETS
(in thousands)

The cost of assets and the related accumulated amortization for the Ministry are summarized below.

		2003			2002
	Estimated Useful Life	Cost [2]	Accumulated Amortization [3]	Net Book Value	Net Book Value (Restated - Note 3)
Land	Indefinite	$ 610,562	$ -	$ 610,562	$ 619,806
Buildings	40 years	1,585,050	800,019	785,031	813,276
Equipment	5-10 years	31,766	21,861	9,905	11,204
Computer hardware and software	3-10 years	9,593	3,804	5,789	5,036
Other (1)	3-40 years	75,228	63,149	12,079	11,479
Land improvements	40 years	3,005	234	2,771	1,987
		$ 2,315,204	$ 889,067	$ 1,426,137	$ 1,462,788

(1) Includes trailers, leasehold improvements, aircraft, and spare aircraft engines.

(2) Included in the cost of land, buildings, computer hardware and software, is work in progress amounting to $ 23,632 (2002 - $23,534).

(3) Accumulated Amortization includes amortization expense of $40,289 (2002 - $40,403).

Ministry of Infrastructure
NOTES TO THE FINANCIAL STATEMENTS

Year ended March 31, 2003

NOTE 9 SWAN HILLS TREATMENT PLANT

(in thousands)

On December 31, 2000, the buildings and equipment of the Swan Hills Treatment Plant were acquired by the Ministry for $1 from a subsidiary of Bovar Inc. The facility is operated by the Ministry through a contracted operator and results of operations are included in these financial statements.

At March 31, 2003 the assets and liabilities under management of the operator were as follows:

	2003	2002
Assets		
Accounts receivable	$ 5,122	$ 2,765
Chemical and parts inventories	2,377	1,059
Capital assets	786	577
	$ 8,285	$ 4,401
Liabilities		
Accounts payable	$ 3,538	$ 1,657
Unearned revenue	1,497	1,370
	$ 5,035	$ 3,027

Net operating results from plant operations for the years ended March 31 were as follows:

	2003	2002
Revenue [1]	$ 24,401	$ 21,128
Plant expenses before inventory transactions [2]	24,036	25,165
Consumption of consumable and repair part inventories [3] [4]	2,879	2,428
Write-down of inventory & bad debt expense	406	-
Amortization [4]	55	26
	27,376	27,619
Net operating result from plant operations	$ (2,975)	$ (6,491)
Purchase of consumable and repair part inventories	$ 4,420	$ 2,910
Capital investment in plant and equipment	$ 313	$ 547

(1) The amount reported on Schedule 1 includes revenue from the rental of housing of $280 (2002 - $259).

(2) The amount reported on Schedule 5 includes expenses for environmental and financial assessments of $919 (2002 - $881) and costs of rental housing of $167 (2002 - $158). The amortization of the liability for site restoration costs is reported in the financial statements of the Environmental Protection and Enhancement Fund.

(3) Some inventories were acquired at zero cost. The fair value of inventories consumed were $418 (2002 - $524) in excess of the cost recorded for the year ended March 31, 2003.

(4) Included in Financial Transactions on Schedule 5.

Ministry of Infrastructure
NOTES TO THE FINANCIAL STATEMENTS

Year ended March 31, 2003

NOTE 10 COMMITMENTS
(in thousands)

As at March 31, 2003, the Ministry had the following commitments:

	2003	2002
Commitments for Capital Investment		
Construction Contracts and Service Agreements	$ 6,329	$ 12,287
Purchase of Assets	548	1,605
	6,877	13,892
Commitments for Operating Expense		
Contracts and Agreements	305,497	49,728
Grants	928,151	979,884
Long-term Leases	409,140	341,376
	1,642,788	1,370,988
Total Operating and Capital Investment	$ 1,649,665	$ 1,384,880

The aggregate amounts payable for the unexpired terms of these commitments are as follows:

		Operating Expense		
	Capital Investment	Contracts & Agreements	Grants	Leases	Total
2004	$ 4,348	$ 57,177	$ 390,825	$ 80,616	$ 532,966
2005	1,647	35,306	205,170	69,016	311,139
2006	882	30,096	174,991	59,551	265,520
2007		28,622	121,050	50,723	200,395
2008		26,295	36,115	43,490	105,900
Thereafter		128,001		105,744	233,745
Total	$ 6,877	$ 305,497	$ 928,151	$ 409,140	$ 1,649,665

Ministry of Infrastructure
NOTES TO THE FINANCIAL STATEMENTS

Year ended March 31, 2003

NOTE 11 CONTINGENCIES
(in thousands)

At March 31, 2003, the Ministry is a defendant in 51 legal claims (2002 - 66 legal claims). Thirty-eight of these claims have specified amounts totaling $157,714 and the remaining 13 have not specified any amount (2002 - 48 claims with a specified amount of $232,431 and 18 with no specified amount). Included in the total legal claims are four claims in which the Ministry has been jointly named with other entities, two of which have specified claims amounting to $ 22,033. Eleven claims amounting to $ 6,924 are covered by the Alberta Risk Management Fund.

The resulting loss, if any, from these claims cannot be determined.

NOTE 12 TRUST FUNDS UNDER ADMINISTRATION
(in thousands)

The Ministry administers trust funds that are regulated funds consisting of public money over which the Legislature has no power of appropriation. Because the Province has no equity in the funds and administers them for the purpose of various trusts, they are not included in the Ministry's financial statements.

As at March 31, 2003, trust funds under the Ministry's administration were as follows:

	2003	2002
The General Trust Fund	$ 386	$ 506
The Security Deposit Trust Fund	155	155
	$ 541	$ 661

The General Trust Fund holds interest bearing securities posted by contractors.

The Security Deposit Trust Fund is deposits from tenants for rented property.

Ministry of Infrastructure
NOTES TO THE FINANCIAL STATEMENTS

Year ended March 31, 2003

NOTE 13 DEFINED BENEFIT PLANS
(in thousands)

The Ministry participates in the multi-employer pension plans, Management Employees Pension Plan and Public Service Pension Plan. The Ministry also participates in the multi-employer Supplementary Retirement Plan for Public Service Managers. The expense of these pension plans is equivalent to the annual contributions of $ 2,708 for the year ended March 31, 2003 (2002 - $2,967).

At December 31, 2002, the Management Employees Pension Plan reported a deficiency of $ 301,968 (2001 - surplus $5,338) and the Public Service Pension Plan reported an actuarial deficiency of $175,528 (2001 - actuarial surplus $320,487). At December 31, 2002, the Supplementary Retirement Plan for Public Service Managers had an actuarial surplus of $6,472 (2001 - actuarial deficiency $399).

The Ministry also participates in two multi-employer Long Term Disability Income Continuance Plans. At March 31, 2003, the Bargaining Unit Plan reported an actuarial deficiency of $14,434 (2002 - $8,646) and the Management, Opted Out and Excluded Plan reported an actuarial deficiency of $3,053 (2002 - $2,656). The expense for these two plans is limited to employer's annual contribution for the year.

NOTE 14 APPROVAL OF FINANCIAL STATEMENTS

The financial statements were approved by the Senior Financial Officer and the Deputy Minister.

Ministry of Infrastructure
SCHEDULE TO FINANCIAL STATEMENTS
REVENUES

Schedule 1

Year ended March 31, 2003

(in thousands)

	2003		2002
	Budget	Actual	Actual
Internal Government Transfers			
Transfer from Lottery Fund	$ 105,000	$ 105,000	$ 345,000
Fees, Permits and Licenses			
Civil Service Parking	2,000	2,723	2,668
Investment Income [1]	4,000	10,843	7,422
Other Revenue			
Refunds of Expenditure			
Previous Years' Refunds [2]	4,000	2,083	46,332
Surplus Sales	150	-	276
	4,150	2,083	46,608
Miscellaneous			
Swan Hills Treatment Plant	13,000	24,681	21,387
Rentals (Land and Buildings)	7,000	10,264	10,998
Vehicle Operations	1,082	709	1,423
Aircraft Services	1,708	887	789
Upgrading of Seniors' Lodges	1,300	8,600	4,701
Other	500	1,073	5,293
	24,590	46,214	44,591
	$ 139,740	$ 166,863	$ 446,289

(1) Certain grants are paid into trust accounts and the Ministry earns investment income on the funds.

(2) March 31, 2002 previous years' refunds includes $42,693 related to the Energy Rebate Program. This amount is the difference between the actual expenditures and the estimated expenditures recorded in the year ended March 31, 2001.

Ministry of Infrastructure
SCHEDULE TO FINANCIAL STATEMENTS
DEDICATED REVENUE INITIATIVES

Schedule 2

Year ended March 31, 2003

(in thousands)

	2003		
	Authorized Dedicated Revenues	Actual Dedicated Revenues	(Shortfall)/ Excess [1]
Seniors' Lodges	$ 8,600	$ 8,600	$ -
Leases	1,000	1,000	-
Property Operations	8,500	8,513	13
Land Services	1,000	718	(282)
Swan Hills Treatment Plant	13,000	24,681	11,681
Air Transportation Services	1,708	887	(821)
	$ 33,808	$ 44,399	$ 10,591

(1) Shortfall is deducted from current year's authorized budget, as disclosed in Schedules 4 and 5 to the financial statements.

Seniors' Lodges revenues are reimbursements for the cost of upgrades to lodges which were completed by the Ministry at the request of the lodge foundations.

Revenues associated with Leases, Property Operations, and Land Services are rent charges to agencies of government and other entities which occupy space in government operated buildings or who utilize land owned by government.

The Swan Hills Treatment Plant is a waste management facility operated under agreement. Revenues are amounts charged to the private sector for waste disposal.

Air Transportation Services revenues are amounts paid by government departments and agencies for the use of passenger aircraft.

The above dedicated revenues are included in the Statement of Operations.

Ministry of Infrastructure
SCHEDULE TO FINANCIAL STATEMENTS
EXPENSES - DIRECTLY INCURRED DETAILED BY OBJECT

Schedule 3

Year ended March 31, 2003

(in thousands)

	2003		2002
	Budget	Actual	Actual *(Restated - Note 3)*
Voted			
Salaries, Wages and Employee Benefits	$ 50,946	$ 49,644	$ 47,213
Supplies and Services	255,509	295,619	283,159
Grants	464,173	429,517	2,012,269
Financial Transactions and Other	51	649	75
Amortization of Capital Assets	54,060	43,426	43,212
Total Voted Expenses	$ 824,739	$ 818,855	$ 2,385,928
Statutory			
Valuation adjustments			
Provision (Decrease) for Vacation Pay	$ -	$ 363	$ (559)
Provision for Doubtful Accounts	100	87	164
	$ 100	$ 450	$ (395)

Ministry of Infrastructure
SCHEDULE TO FINANCIAL STATEMENTS
BUDGET

Schedule 4

Year ended March 31, 2003

(in thousands)

	2002-2003 Estimates	Authorized Supplementary [a]	2002-2003 Authorized Budget
Revenues			
Transfer from Alberta Lottery Fund	$ 105,000	$ -	$ 105,000
Fees, Permits and Licenses	2,000	-	2,000
Investment income	4,000	-	4,000
Other Revenue	28,740	-	28,740
	139,740	-	139,740
Expenses - Directly Incurred			
Voted Expenses			
Ministry Support Services	11,876	-	11,876
Construction, Upgrading and Operation of Infrastructure	806,572	21,200	827,772
Cross Government Services	6,291	-	6,291
	824,739	21,200	845,939
Statutory Expenses			
Valuation Adjustments			
Provision for Doubtful Accounts	100	-	100
Provision for Vacation Pay	-	-	-
	100	-	100
	824,839	21,200	846,039
Net Operating Results	$ (685,099)	$ (21,200)	$ (706,299)
Capital Investment	$ 13,010	$ 5,400	$ 18,410

(a) Supplementary estimates were approved on December 4, 2002 and March 10, 2003 ($15,000 and $800 respectively). Treasury Board approval is pursuant to section 24(2) of the *Financial Administration Act* (for net budgeted initiatives).

Ministry of Infrastructure

SCHEDULE TO FINANCIAL STATEMENTS

Schedule 5

COMPARISON OF EXPENSES - DIRECTLY INCURRED AND CAPITAL INVESTMENTS BY ELEMENT TO AUTHORIZED BUDGET

Year ended March 31, 2003

(in thousands)

		2002-2003				
		2002-2003 Estimates	Authorized Supplementary (a)	2002-2003 Authorized Budget	2002-2003 Actual (b)	Unexpended (Over Expended)
Voted Expenses and Capital Investment						
Ministry Support Services						
1.0.1	Minister's Office	$ 390	$ -	$ 390	$ 352	$ 38
1.0.2	Deputy Minister's Office	385	-	385	378	7
1.0.3	Ministry Support Services					
	- Operating Expense	11,101	-	11,101	16,382	(5,281)
	- Capital Investment	410	-	410	2,401	(1,991)
		12,286	-	12,286	19,513	(7,227)
Construction, Upgrading and Operation of Infrastructure						
2.1 Facilities Infrastructure						
2.1.1	Health Care Facilities					
	- Operating Expense	9,200	-	9,200	3,125	6,075
	- Operating Expense funded by Lotteries	50,000	(20,000)	30,000	23,000	7,000
2.1.2	School Facilities					
	- Operating Expense	23,530	8,000	31,530	10,808	20,722
	- Operating Expense funded by Lotteries	35,000	20,000	55,000	70,000	(15,000)
2.1.3	School Operations and Maintenenance					
	- Operating Expense	323,743	-	323,743	324,434	(691)
2.1.4	Post - Secondary Facilities					
	- Operating Expense	6,400	-	6,400	281	6,119
	- Operating Expense funded by Lotteries	10,000	-	10,000	2,000	8,000
2.1.5	Government Facilities					
	- Operating Expense	9,675	-	9,675	10,959	(1,284)
2.1.6	Seniors' Lodges					
	- Operating Expense	2,242	7,300	9,542	9,604	(62)
	- Operating Expense funded by Lotteries	10,000	-	10,000	10,000	-
2.1.7	Capital and Accomodation Projects					
	- Operating Expense	14,865	1,600	16,465	21,663	(5,198)
	- Capital Investment	4,000	-	4,000	2,629	1,371
2.1.8	Centennial Projects					
	- Operating Expense	5,000	-	5,000	386	4,614
	- Capital Investment	2,300	5,400	7,700	12,840	(5,140)
2.1.9	Property Operations	115,629	3,500	119,129	122,494	(3,365)
2.1.10	Leases	84,370	-	84,370	92,942	(8,572)
2.1.11	Land Services					
	- Operating Expense	2,100	800	2,900	1,933	967
	- Capital Investment	3,300	-	3,300	5,943	(2,643)
2.1.12	Swan Hills Treatment Plant					
	- Operating Expense	26,000	-	26,000	25,122	878
	- Capital Investment	2,000	-	2,000	4,733	(2,733)
2.1.13	Other Infrastructure Support					
	- Operating Expense	2,230	-	2,230	1,891	339
	Total Sub-program	741,584	26,600	768,184	756,787	11,397

Ministry of Infrastructure
SCHEDULE TO FINANCIAL STATEMENTS
COMPARISON OF EXPENSES - DIRECTLY INCURRED AND CAPITAL INVESTMENTS BY ELEMENT TO AUTHORIZED BUDGET
Year ended March 31, 2003

Schedule 5

(in thousands)

	2002-2003 Estimates	Authorized Supplementary (a)	2002-2003 Authorized Budget	2002-2003 Actual (b)	Unexpended (Over Expended)
2.2 Energy Rebates					
2.2.1 Energy Rebates	-	-	-	513	(513)
Total Sub-program	-	-	-	513	(513)
2.3 Program Services					
2.3.1 Program Services	20,774	-	20,774	21,764	(990)
Total Sub-program	20,774	-	20,774	21,764	(990)
2.4 Financial Transactions					
2.4.1 Amortization of Capital Assets	48,814	-	48,814	38,884	9,930
2.4.2 Nominal Sum Disposals	5,000	-	5,000	1,535	3,465
2.4.3 Consumption of Inventories	2,000	-	2,000	2,879	(879)
Total Sub-program	55,814	-	55,814	43,298	12,516
	818,172	26,600	844,772	822,362	22,410
3.1 Cross-Government Services					
3.1.1 Vehicle Services					
- Operating Expense	2,429	-	2,429	1,307	1,122
- Capital Investment	500	-	500	492	8
3.1.2 Air Transportation Services					
- Operating Expense	3,362	-	3,362	3,961	(599)
- Capital Investment	500	-	500	856	(356)
	6,791	-	6,791	6,616	175
3.2 Financial Transactions					
3.2.1 Consumption of Inventories	500	-	500	258	242
Total Sub-program	500	-	500	258	242
	7,291	-	7,291	6,874	417
	$ 837,749	$ 26,600	$ 864,349	$ 848,749	$ 15,600
Program Operating Expense	719,739	21,200	740,939	713,855	27,084
Program Operating Expense Funded by Lotteries	105,000	-	105,000	105,000	-
	824,739	21,200	845,939	818,855	27,084
Program Capital Investment	13,010	5,400	18,410	29,894	(11,484)
	13,010	5,400	18,410	29,894	(11,484)
	$ 837,749	$ 26,600	$ 864,349	$ 848,749	$ 15,600
Statutory Expenses					
Valuation Adjustments					
Provision for Doubtful Accounts	$ 100	$ -	$ 100	$ 87	$ 13
Provision for Vacation Pay	-	-	-	363	(363)
	$ 100	$ -	$ 100	$ 450	$ (350)

(a) Supplementary Estimates were approved on December 4, 2002 and on March 10, 2003 ($15,000 and $800 respectively).
Treasury Board approval is pursuant to section 24(2) of the Financial Administration Act for element 2.1.6 ($7,300) and 2.1.9 ($3,500).

(b) Includes achievement bonus of $890.

Ministry of Infrastructure
SCHEDULE TO FINANCIAL STATEMENTS
SALARY AND BENEFITS DISCLOSURE

Schedule 6

Year ended March 31, 2003

	2003			2002
	Salary [1]	Benefits and Allowances [2]	Total	Total
Deputy Minister [3]	$ 176,573	$ 49,476	$ 226,049	$ 205,305
Current Executives				
Assistant Deputy Minister, Properties [5]	140,020	36,165	176,185	157,295
Assistant Deputy Minister, Capital Projects [4] [6]	133,936	32,629	166,565	149,719
Executive Director, Technical Services [7]	115,308	27,104	142,412	128,861
Executive Director, Information Management Branch [7] [8]	118,425	25,541	143,966	140,467
Executive Director, Human Resources [7] [8]	117,530	25,879	143,409	128,765
Executive Director, Finance [7] [9]	112,585	23,910	136,495	120,365
Former Executive				
Assistant Deputy Minister Corporate Services [7]	-	-	-	147,184

Prepared in accordance with Treasury Board Directive 12/98.

(1) Salary includes regular base pay, bonuses, and lump sum payments.
(2) Benefits and allowances include the government's share of all employee benefits and contributions or payments made on behalf of employees including pension, health care, dental coverage, group life insurance, short-term and long-term disability plans, WCB premiums, professional memberships, and tuition fees.
(3) Automobile provided, no dollar amount included in benefits and allowances figures.
(4) Benefits and allowances include vacation payments to the Assistant Deputy Minister, Capital Projects in 2002 of $ 2,339.
(5) A reorganization effective April 1, 2002 caused the position of Assistant Deputy Minister, Properties to be created. The current incumbent previously occupied the position of Assistant Deputy Minister, Property and Supply Management.
(6) A reorganization effective April 1, 2002 caused the position of Assistant Deputy Minister, Capital Projects to be created. The current incumbent previously occupied the position of Assistant Deputy Minister, Property Development.
(7) The Assistant Deputy Minister, Corporate Services position, which was shared by Alberta Infrastructure and Alberta Transportation, became vacant in February 2002. Subsequently, the position was eliminated and the Executive Directors of Technical Services, Information Management Branch, Human Resources, and Finance became members of the Executive of the Department.
(8) The incumbent's services are shared with the Department of Transportation which contributes its own share of the costs of salary and benefits. Full salary and benefits are disclosed in this schedule.
(9) The position of Executive Director, Finance was shared until November 2002 with the Department of Transportation, which contributed its own share of the costs of salary and benefits. Full salary and benefits are disclosed in this schedule. Upon disolution of the shared service arrangement the individual occupying this position moved to Transportation and this position was filled by another individual.

Ministry of Infrastructure
SCHEDULE TO FINANCIAL STATEMENTS
RELATED PARTY TRANSACTIONS

Schedule 7

Year ended March 31, 2003

(in thousands)

Related parties are those entities consolidated or accounted for on a modified equity basis in the Province of Alberta's financial statements. Related parties also include management in the Ministry.

The Ministry and its employees paid or collected certain taxes and fees set by regulation for permits, licenses and other charges. These amounts were incurred in the normal course of business, reflect charges applicable to all users, and have been excluded from this Schedule.

The Ministry had the following transactions with related parties recorded on the Statement of Operations and the Statement of Financial Position at the amount of consideration agreed upon between the related parties:

	Other Entities	
	2003	2002 (Restated - Note 3)
Revenues		
Lottery Fund	$ 105,000	$ 345,000
Parking/Rental	2,788	4,260
Air Transportation	831	719
Executive Vehicles/Central Vehicle Operations	864	1,410
	$ 109,483	$ 351,389
Expenses - Directly Incurred		
Other services	$ 7,645	$ 16,965
	$ 7,645	$ 16,965
Capital Assets Transferred to Others	$ 3,251	$ 17,246
Accounts Payable to Alberta Learning	$ 690	$ -

The Ministry also had the following transactions with related parties for which no consideration was exchanged. The amounts for these related party transactions are estimated based on the costs incurred by the service provider to provide the service. These amounts are not recorded in the financial statements but are disclosed in Schedule 8.

	Other Entities	
	2003	2002
Revenues		
Executive Vehicles	$ 60	$ 59
Accommodation	245,304	207,454
Air Transportation	1,991	1,510
	$ 247,355	$ 209,023
Expenses - Incurred by Others		
Accommodation	$ 864	$ 952
Legal	241	409
	$ 1,105	$ 1,361

Ministry of Infrastructure
SCHEDULE TO FINANCIAL STATEMENTS
ALLOCATED COSTS

Schedule 8

Year ended March 31, 2003

	2003						2002 (Restated - Note 3)
		Expenses - Incurred by Others		Valuation Adjustments			
Program	Expenses[1]	Accommodation Costs	Legal Services	Vacation Pay	Doubtful Accounts	Expenses	Expenses
Ministry Support Services	$ 17,112	$ 18	$ 21	$ 25	$ -	$ 17,176	$ 17,833
Construction, Upgrading and Operation of Infrastructure	796,217	840	216	326	87	797,686	2,363,345
Cross Government Services	5,526	6	4	12	-	5,548	5,570
	$ 818,855	$ 864	$ 241	$ 363	$ 87	$ 820,410	$ 2,386,748

(1) Expenses - Directly Incurred as per Statement of Operations, excluding valuation adjustments.

Alphabetical List of Entities' Financial Statements In Ministry 2002-03 Annual Reports

ENTITIES INCLUDED IN THE CONSOLIDATED GOVERNMENT REPORTING ENTITY

Ministry, Department, Fund or Agency	Ministry Annual Report
Agriculture Financial Services Corporation	Agriculture, Food and Rural Development
Alberta Alcohol and Drug Abuse Commission	Health and Wellness
Alberta Energy and Utilities Board	Energy
Alberta Foundation for the Arts	Community Development
Alberta Gaming and Liquor Commission	Gaming
Alberta Government Telephones Commission, The	Finance
Alberta Heritage Foundation for Medical Research Endowment Fund	Revenue
Alberta Heritage Savings Trust Fund	Revenue
Alberta Heritage Scholarship Fund	Revenue
Alberta Heritage Science and Engineering Research Endowment Fund	Revenue
Alberta Historical Resources Foundation, The	Community Development
Alberta Insurance Council	Finance
Alberta Municipal Financing Corporation	Finance
Alberta Pensions Administration Corporation	Finance
Alberta Petroleum Marketing Commission	Energy
Alberta Research Council Inc.	Innovation and Science
Alberta Risk Management Fund	Revenue
Alberta School Foundation Fund	Learning
Alberta Science and Research Authority	Innovation and Science
Alberta Securities Commission	Revenue
Alberta Social Housing Corporation	Seniors
Alberta Sport, Recreation, Parks and Wildlife Foundation	Community Development
Alberta Treasury Branches	Finance
ATB Investment Services Inc.	Finance
Child and Family Services Authorities:	Children's Services
Awasak Child and Family Services Authority	
Calgary Rocky View Child and Family Services Authority	
Child and Family Services Authority Region 13	
Child and Family Services Authority Region 14	
Diamond Willow Child and Family Services Authority	
Hearthstone Child and Family Services Authority	
Keystone Child and Family Services Authority	
Ma' Mowe Capital Region Child and Family Services Authority	
Metis Settlements Child and Family Services Authority	
Neegan Awas'sak Child and Family Services Authority	
Ribstone Child and Family Services Authority	
Sakaigun Asky Child and Family Services Authority	
Sakaw-Askiy Child and Family Services Authority	
Silver Birch Child and Family Services Authority	
Southeast Alberta Child and Family Services Authority	
Sun Country Child and Family Services Authority	
West Yellowhead Child and Family Services Authority	
Windsong Child and Family Services Authority	

Alphabetical List of Entities' Financial Statements In Ministry 2002-03 Annual Reports

ENTITIES INCLUDED IN THE CONSOLIDATED GOVERNMENT REPORTING ENTITY

Ministry, Department, Fund or Agency	Ministry Annual Report
Credit Union Deposit Guarantee Corporation	Finance
Crop Reinsurance Fund of Alberta	Agriculture, Food and Rural Development
Department of Agriculture, Food and Rural Development	Agriculture, Food and Rural Development
Department of Children's Services	Children's Services
Department of Community Development	Community Development
Department of Energy	Energy
Department of Finance	Finance
Department of Gaming	Gaming
Department of Health and Wellness	Health and Wellness
Department of Innovation and Science	Innovation and Science
Department of Learning	Learning
Department of Revenue	Revenue
Department of Seniors	Seniors
Department of Solicitor General	Solicitor General
Department of Sustainable Resource Development	Sustainable Resource Development
Environmental Protection and Enhancement Fund	Sustainable Resource Development
Gainers Inc.	Finance
Government House Foundation, The	Community Development
Historic Resources Fund	Community Development
Human Rights, Citizenship and Multiculturalism Education Fund	Community Development
iCORE Inc.	Innovation and Science
Lottery Fund	Gaming
Ministry of Aboriginal Affairs and Northern Development[1]	Aboriginal Affairs and Northern Development
Ministry of Agriculture, Food and Rural Development	Agriculture, Food and Rural Development
Ministry of Children's Services	Children's Services
Ministry of Community Development	Community Development
Ministry of Economic Development[1]	Economic Development
Ministry of Energy	Energy
Ministry of Environment[1]	Environment
Ministry of Finance	Finance
Ministry of Executive Council[1]	Executive Council
Ministry of Gaming	Gaming
Ministry of Government Services[1]	Government Services
Ministry of Health and Wellness	Health and Wellness
Ministry of Human Resources and Employment[1]	Human Resources and Employment
Ministry of Infrastructure[1]	Infrastructure
Ministry of Innovation and Science	Innovation and Science
Ministry of International and Intergovernmental Relations[1]	International and Intergovernmental Relations

[1] Ministry includes only the department so separate department financial statements are not necessary.

Alphabetical List of Entities' Financial Statements In Ministry 2002-03 Annual Reports

ENTITIES INCLUDED IN THE CONSOLIDATED GOVERNMENT REPORTING ENTITY

Ministry, Department, Fund or Agency	Ministry Annual Report
Ministry of Justice[1]	Justice
Ministry of Learning	Learning
Ministry of Municipal Affairs[1]	Municipal Affairs
Ministry of Revenue	Revenue
Ministry of Seniors	Seniors
Ministry of Solicitor General	Solicitor General
Ministry of Sustainable Resource Development	Sustainable Resource Development
Ministry of Transportation[1]	Transportation
N.A. Properties (1994) Ltd.	Finance
Natural Resources Conservation Board	Sustainable Resource Development
Persons with Developmental Disabilities Boards:	Community Development
Calgary Region Community Board	
Central Region Community Board	
Edmonton Region Community Board	
Michener Centre Facility Board[2]	
Northeast Region Community Board	
Northwest Region Community Board	
Provincial Board	
South Region Community Board	
Provincial Judges and Masters in Chambers Reserve Fund	Finance
Supplementary Retirement Plan Reserve Fund	Finance
Victims of Crime Fund	Solicitor General
Wild Rose Foundation, The	Community Development

[1] Ministry includes only the department so separate department financial statements are not necessary.
[2] Dissolved July 23, 2002

Alphabetical List of Entities' Financial Statements In Ministry 2002-03 Annual Reports

ENTITIES NOT INCLUDED IN THE CONSOLIDATED GOVERNMENT REPORTING ENTITY

Fund or Agency	Ministry Annual Report
Alberta Cancer Board	Health and Wellness
Alberta Foundation for Health Research	Innovation and Science
Alberta Heritage Foundation for Medical Research	Innovation and Science
Alberta Heritage Foundation for Science and Engineering Research	Innovation and Science
Alberta Mental Health Board	Health and Wellness
Alberta Teachers' Retirement Fund Board	Learning
Improvement Districts' Trust Account	Municipal Affairs
Local Authorities Pension Plan	Finance
Long-Term Disability Income Continuance Plan - Bargaining Unit	Human Resources and Employment
Long-Term Disability Income Continuance Plan - Management, Opted Out and Excluded	Human Resources and Employment
Management Employees Pension Plan	Finance
Provincial Judges and Masters in Chambers Pension Plan	Finance
Public Post-Secondary Institutions	Learning
Public Service Management (Closed Membership) Pension Plan	Finance
Public Service Pension Plan	Finance
Regional Health Authorities	Health and Wellness
School Boards	Learning
Special Areas Trust Account, The	Municipal Affairs
Special Forces Pension Plan	Finance
Supplementary Retirement Plan for Provincial Judges and Masters in Chambers	Finance
Supplementary Retirement Plan for Public Service Managers	Finance
Workers' Compensation Board	Human Resources and Employment

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